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SANBAG
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**FY 2009-2011
Triennial Performance Audit
of Omnitrans**

**Submitted to San Bernardino
Associated Governments**

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PMC[®]


 **CH2MHILL**

PATTI POST & ASSOCIATES

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Executive Summary

The San Bernardino Associated Governments (SANBAG) engaged the PMC consultant team to conduct the Transportation Development Act (TDA) triennial performance audit of the six public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2008-09 through 2010-11.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- System Performance Trends
- Functional Review

In addition, a comparison of Omnitrans against similar transit operators around the nation was conducted using transit data reported in the National Transit Database (NTD).

Based on the audit review process, recommendations were developed to improve the operational efficiency and effectiveness of Omnitrans.

Compliance with TDA Requirements

Omnitrans has complied with all applicable compliance requirements of TDA.

Status of Prior Audit Recommendations

This section reviewed Omnitrans' actions to implement five prior audit recommendations. Two of the five prior audit recommendations were fully implemented, one has been partially implemented, one is no longer relevant, and one has not been implemented due to a change in project schedule.

System Performance Trends

1. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years, due primarily to an increase in vehicle service hour provision. Systemwide operating costs decreased by 1.7 percent.
2. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, a notable accomplishment given the service reductions that took place during the audit period. Ridership on Access service increased by 6.1 percent, from

405,814 to 430,564. Systemwide ridership increased by 1.4 percent during the audit period.

3. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans reduced service levels in order to balance its budget. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively in order to meet passenger service requests.
4. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, and increased by 4.8 percent for Access service (as compared to a 3.4 percent change in inflation during the audit period). This reflects the emphasis that Omnitrans had during the audit period to realize cost efficiencies when feasible.
5. Operating cost per vehicle service hour decreased by 0.5 percent systemwide and by 1.1 percent for Access service, and increased by 0.2 percent for general public service. Operating cost per vehicle service mile decreased by 1.2 percent systemwide and by 0.8 percent for Access service, and increased by 0.1 percent for general public service.
6. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, and decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, and decreased by 5.4 percent for Access service.
7. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.
8. The fare recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service for senior and disabled patrons. Omnitrans met the minimum requirements in each fiscal year during the audit period.

Functional Review

1. Vehicle operations cost indicators for directly operated fixed route service generally improved during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent, cost per vehicle service mile increased by 2.7 percent, cost per passenger trip decreased by 4.9 percent, and cost per passenger mile decreased by 0.5 percent. This compares to an inflation adjustment during the audit period of 3.4 percent.
2. The number of directly operated fixed route preventable accidents remained fairly steady during the audit period, within a range of 66 to 73 such accidents annually. The overall preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.
3. Demand response vehicle operations cost indicators also generally improved during the audit period. Operations cost per vehicle service hour decreased by 3.2 percent, cost per vehicle service mile decreased by 3.0 percent, cost per passenger trip increased by 2.5 percent, and cost per passenger mile increased by 8.9 percent. The larger increase in the cost per passenger mile indicator is reflective of shorter average passenger trip lengths.
4. Maintenance costs for directly operated fixed route service decreased by 14.4 percent during the audit period, a remarkable accomplishment. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.
5. Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period.
6. For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively.
7. Administration costs increased by 5.2 percent for directly operated fixed route service, and by 12.1 percent for demand response service.
8. Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall inflation increase of 3.4 percent during the same timeframe.
9. Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

Recommendations

Performance Audit Recommendation	Background	Timeline
#1: Work with SANBAG to take appropriate steps pending completion of the Comprehensive Operational Assessment (COA).	The COA is intended to provide potential opportunities for Omnitrans to adjust service delivery and strengthen performance. Omnitrans should work closely with SANBAG to determine aspects of the COA that warrant implementation in the near future. This step will be incorporated as part of the upcoming Short Range Transit Plan to be developed by Omnitrans.	High Priority
#2: Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.	As a carryover from the prior audit, the new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations for the sbX project should be closely monitored, as compliance could affect future funding.	High Priority
#3: Conduct an evaluation of SAP's impacts on business process flows.	The SAP Enterprise Resource Planning implementation had significant impacts on how Omnitrans conducts its business processes. Omnitrans should document the results in a centralized location, assess the benefits of those changes, and determine if there are additional business process improvements that could be enabled through SAP. Omnitrans should continue to engage SAP integration at the department level to determine its applicability to each working group.	Medium Priority
#4: Verify on-time performance numbers and adjust performance targets accordingly.	Automated Vehicle Location (AVL) technology produces different on-time performance results from the prior data reporting methodology. Omnitrans should document the reasons for these differences and adjust its performance targets in line with the updated methodology.	Medium Priority

Section I

Introduction

The San Bernardino Associated Governments (SANBAG) engaged the PMC consultant team to conduct the Transportation Development Act (TDA) triennial performance audit of the six public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2008-09 through 2010-11.

The purpose of the performance audit is to evaluate Omnitrans' effectiveness and efficiency in its use of TDA funds to provide public transit in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates Omnitrans' compliance with the conditions specified in the California Public Utilities Code. This task involves ascertaining whether Omnitrans is meeting the PUC's reporting requirements and is endeavoring to implement prior audit recommendations made to the agency. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the agency's departments and organizational functioning. From the analysis that has been undertaken, a set of recommendations has been made for the agency which is intended to improve the performance of transit operations.

This TDA audit is intended to provide Omnitrans with an independent, constructive and objective evaluation of the organization and its operations. The methodology for the audit included in-person interviews with transit management, telephone interviews, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008* (third edition) published by the California Department of Transportation was used to guide in the development and conduct of the audit.

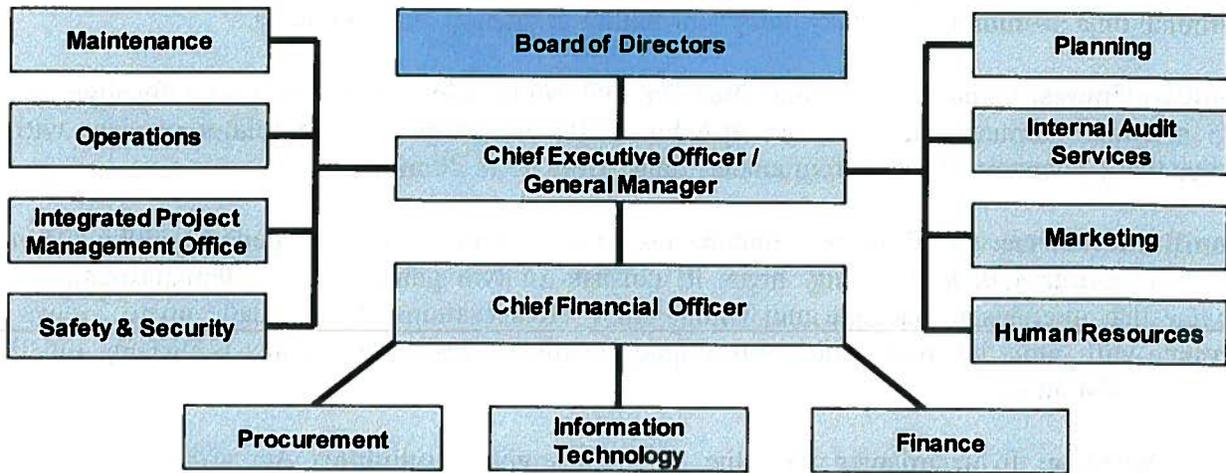
Overview of the Transit System

Omnitrans is the largest transit operator within San Bernardino County. The agency was established as a regional transit authority in 1976 through a Joint Powers Authority (JPA) that included the 10 cities of Chino, Colton, Fontana, Loma Linda, Montclair, Ontario, Redlands, Rialto, San Bernardino, Upland and the County of San Bernardino. Since that time, the cities of Chino Hills, Grand Terrace, Highland, Rancho Cucamonga, and Yucaipa have joined the JPA. San Bernardino County and all 15 member cities are represented on the Omnitrans Board of Directors.

Omnitrans serves a 456 square mile service area in southwest San Bernardino County with a population of about 2.0 million. In addition to San Bernardino County, Omnitrans provides service to parts of Riverside and Los Angeles counties. Omnitrans carries about 15 million passengers per year.

Omnitrans is managed and administered through a CEO/General Manager, Chief Financial Officer and several department directors. Omnitrans employs approximately 640 personnel, nearly all of which are full time. Several board committees and internal staff committees representing each department provide review and feedback on system planning and implementation. Figure I-1 shows the Omnitrans management organization chart.

**Figure I-1
Organization Chart**



Source: Omnitrans

The Mayor or City Council Member of each city, as well as the full Board of Supervisors, serves on the Omnitrans Board of Directors. While each city can have one alternate Board Member designated by the City Council, the County representatives have no alternates. The Omnitrans General Manager reports directly to the Board and is the designated Secretary to the Board.

Transit Services

Omnitrans has both directly operated services and contracted services. Directly operated services are provided by both represented and non-represented employees, including representatives from the Amalgamated Transit Union (ATU) and the Teamsters Union. Administrative staff is made up of a combination of employees represented by the San Bernardino Public Employees Association (SBPEA) and employees who are not represented by a union. Demand response and paratransit ADA service services are provided by First Transit, a private transportation company. First Transit also began operating some fixed route service starting in FY2011, including OmniGo circulator routes.

Since the last triennial performance audit, Omnitrans has expanded its offering of transit services. The services provided by Omnitrans include 26 local fixed routes, one regional fixed route, three OmniGo routes, 2 OmniLink services, and an Americans with Disabilities Act (ADA) compliant Access service. An overview of each service follows.

Local Fixed Routes: Omnitrans operates 26 local fixed routes (route numbers ranging from 1 to 83), which are classified into three tiers of service. Primary Tier Routes have 15- to 20- minute headways; Secondary Tier Routes have 30- to 35- minute headways; Tertiary Tier Routes operate at 45- to 60-minute headways. All 26 routes operate Monday through Friday. On Saturdays there are 24 routes in operation, and on Sundays there are 22 routes in operation. Services start as early as 3:48 AM, and run as late as 11:13 PM.

Regional Route: Omnitrans regional route 215 is a longer distance route which provides service between the Omnitrans 4th Street Transfer Center and Riverside Transit Agency's Downtown Terminal on a 30-minute frequency daily (60-minute frequency on weekends).

OmniGo Routes: Omnitrans operates three OmniGo routes (route 308/309/310 in Yucaipa; route 325 in Grand Terrace; and route 365 in Chino Hills) which provide circulator services within designated local areas. Service frequencies range from 30 to 70 minutes.

OmniLink Service: OmniLink is a demand responsive service providing general public curb-to-curb transportation in low-density areas. It consists of two general-public, demand-responsive service that operates in Yucaipa and Chino Hills. Reservations can be made up to 3 days in advance with same day reservations on a space available basis. Omnitrans is phasing out this service for OmniGo.

Access Service: In accordance with the Americans with Disabilities Act (ADA), Omnitrans provides wheelchair lift equipped vans for curb-to-curb, shared-ride transportation services. Reservations for service must be made at least 24 hours in advance, with the option to call up to 7 days in advance. Access operates during the same days and hours as fixed route buses within a ¾ mile range of routes. Pick-up times are scheduled within one hour before or one hour after each rider's requested pick-up time.

All Omnitrans Access riders are issued a free identification card when they become eligible. Riders must show their valid Omnitrans Access Service identification card to the driver each time they board the Access vehicle. Personal Care Attendants (PCAs) and companions are also able to ride Access (additional companions beyond the first guest may ride if space is available).

Access is also available to pick up ADA certified residents living outside the ¾ mile boundary but still within the city limits of the 15 cities that comprise the Omnitrans service area for a \$5.00 surcharge. Trips must originate or end within the ADA service area. Beyond the ADA boundary, service is available on weekdays from 9 am to 8 pm, and on weekends from 7 am to 7 pm.

TransCenters: The Omnitrans service operates using transportation hubs called TransCenters which offer timed transfer connections throughout the network, and to Metrolink train service and other neighboring transit systems. TransCenter locations include the Chaffey College Transit Center in Rancho Cucamonga, the Chino Transit Center, the Fourth St Transfer Center in San Bernardino, the Fontana Metrolink Station, the Montclair Transcenter, the Ontario Transfer Center, the Pomona Transfer Center, the Redlands Mall, the South Fontana Transfer Center, and the Yucaipa Transit Center.

Omnitrans provides connections to seven Metrolink Stations located within the service area. These stations are San Bernardino, Rialto, Upland, Fontana, Montclair, Rancho Cucamonga, and East Ontario.

Fares

The current Omnitrans fare structure is shown in Table I-1:

**Table I-1
Fare Structure**

Fixed Route / OmniGo	Cash	Day Pass	7-Day Pass	31-Day Pass
Full Fare	\$ 1.50	\$ 4.00	\$ 15.00	\$ 47.00
Senior (62+) / Disability / Medicare	\$ 0.60	\$ 1.85	\$ 7.00	\$ 23.50
Student	n/a	n/a	\$ 11.00	\$ 35.00
Children under 46"	Free	Free	Free	Free

Access (ADA)	Fare	Notes
Regular Fare	\$ 2.75	1-3 zones
Per Additional Zone beyond 3	\$ 1.00	Up to 6 zones
Monthly Subscription Pass	\$ 145.00	1-3 zones
Per Additional Zone beyond 3	\$ 40.00	Up to 6 zones
Personal Care Attendant	Free	must be indicated on ADA rider ID
Children under 46"	Free	limit 2 free per paying rider

OmniLink	Fare	Notes
Regular Fare	\$ 3.00	
Senior / Disabled	\$ 1.50	
Students	\$ 2.00	
Children under 46"	Free	limit 2 free per paying rider

Metrolink
Metrolink ticket is good for one ride on a connecting Omnitrans bus.

Source: Omnitrans

Vehicle Fleet

There are a total of 283 revenue vehicles in the Omnitrans fleet. Fixed route vehicles total 183 (168 for directly operated service and 15 for contracted service), while 100 are OmniLink/Access vehicles. The fixed route fleet has been converted to Compressed Natural Gas (CNG) fuel, with the exception of three hybrid electric buses. The contracted fixed route vehicles and OmniLink/Access vehicles are operated by First Transit. These are gasoline powered vehicles.

Table I-2 shows the Omnitrans vehicle fleet.

**Table I-2
Vehicle Fleet**

Vehicle Type	Year	Number of Vehicles	Fixed / DAR	Seats	Fuel
Directly Operated Fixed Route (168 vehicles)					
New Flyer	2000 - 2009	153	Fixed	39	CNG
New Flyer Hybrid	2000	3	Fixed	39	Gas / Electric
Thomas	2003	12	Fixed	26	CNG
Contracted Fixed Route (15 vehicles)					
Starcraft	2010	6	Fixed	18	Gas
Aerotech	2004	9	Fixed	18	Gas
Contracted Demand Response (100 vehicles)					
Starcraft	2006-2008	55	DAR	16	Gas
Aerotech	2004-2006	35	DAR	18	Gas
Uplander	2008	10	DAR	4	Gas

Note: Certain vehicles are used as spares and contingency.

Source: Omnitrans

Fleet Facilities

Omnitrans operates fixed route service out of two facilities, the Metro Division in San Bernardino (East Valley Division), and the Hayes Transit Center in Montclair (West Valley Division). While operations and maintenance are provided at both facilities, administration is primarily handled in the San Bernardino office. The San Bernardino facility occupies approximately 13 acres, while the Montclair facility is situated on about 6 acres. All Omnitrans vehicles are parked at one of the two facilities. Liquefied Compressed Natural Gas (LCNG) is available at both facilities for the agency's alternative fueled fleet.

First Transit operates Access paratransit services out of two facilities: the I Street facility located in San Bernardino, and the West Valley Paratransit Facility on Feron Blvd in Rancho Cucamonga. The I Street site encompasses some 4.7 acres and includes the vehicle maintenance garage (including 10 bus bays), fueling, and bus washing. A 4,500 sq. ft. office building houses the Access administration, trip reservations, scheduling, dispatch office, and training facilities. The West Valley facility occupies 1.3 acres and provides for vehicle storage and general vehicle cleaning. Current facilities are capable of accommodating present operations and have room for expansion if necessary.

Audit Period Highlights

Several notable events occurred at Omnitrans during the audit period, including the following:

- Omnitrans began construction activities for an enhanced, state-of-the-art bus rapid transit (BRT) service along the E Street corridor in the cities of San Bernardino and Loma Linda. The sbX project will span 15.7 miles, including both exclusive bus lanes and mixed traffic operations, and 16 stations. The sbX project will provide more comfortable vehicles, higher frequencies, and higher speeds, including transit priority signals at key intersections, which will increase transit usage and reduce traffic congestion. Projected to begin passenger service early in 2014, sbX has widespread local and regional support as the first interconnecting Bus Rapid Transit corridor planned by Omnitrans to help bring economic, environmental and transit improvements to San Bernardino County.
- Omnitrans continued project development for a new Transit Center in downtown San Bernardino, to be located at Rialto and E Street. This new facility will serve as a multi-modal hub for Omnitrans' sbX, fixed route, and regional bus services, as well as Metrolink commuter rail and future Redlands Passenger Rail service. Transit-oriented development (TOD) associated with the new Transit Center will also act as a trip generator and attractor for Omnitrans routes serving Downtown San Bernardino. The project is scheduled for completion in 2014.
- Omnitrans opened a new Chaffey College Transit Center in December 2010. The Transit Center in Rancho Cucamonga serves routes that connect Chaffey College's main campus with several other regional locations including Victoria Gardens, Ontario Mills, and Epicenter Stadium.
- Omnitrans began operation of OmniGo circulator services in September 2010, which operate in the cities of Chino Hills, Grand Terrace, and Yucaipa.
- Omnitrans opened a new Yucaipa Transit Center in July 2010. It serves as an eastern hub for Omnitrans fixed route services, with eight bus bays and passenger amenities including shelters, benches, and information kiosks.
- Omnitrans hired a new Chief Executive Officer in January 2010, with over 30 years of transit industry experience including senior management positions at the Washington Metropolitan Area Transit Authority (WMATA) and Los Angeles Metro.
- Omnitrans received the AdWheel grand prize award for excellence in advertising, communications, marketing, and promotions from the American Public Transportation Association (APTA) in October 2009, as well as first place awards in the bus shelter posters and transit ads subcategories.
- Omnitrans introduced the "Go Smart" program during the audit period, which provided free rides to students at five colleges/universities in the service area during a specified timeframe through the distribution of free bus passes. The Go Smart program boosted ridership significantly during the promotion period, and many students continued using Omnitrans after the promotion period. Omnitrans is now conducting a program where enrolled students at select colleges/universities pay \$15 per year each, and are able to use their student ID card as an Omnitrans pass.

- The economic recession which began in 2008 had significant impacts on Omnitrans' funding levels during the audit period. In particular, Omnitrans implemented service reductions and took other cost cutting measures, including reducing staff, limiting wage adjustments, and automating business processes in FY2011 in order to address a \$8.7 million budget shortfall. Despite a reduction in general public vehicle service hours of over 4 percent, general public ridership still increased from FY2010 to FY2011. This was accomplished by making sure that service hour reductions did not impact Omnitrans' most productive services.
- A particular measure that Omnitrans took to provide budgeting stability during the audit period was a Forward Fuel Purchasing policy, or fuel hedging. Omnitrans negotiated a fixed fuel price for up to 60 percent of its liquefied natural gas requirements, applicable from July 2009 through January 2012.
- Contracted fixed route service with First Transit began in FY2011. This service is operated with smaller cutaway vehicles, during off-peak periods and weekends.
- Omnitrans increased its fares in September 2009. The fixed route base fare changed from \$1.35 to \$1.50, and the Day Pass fare changed from \$3.50 to \$4.00.

In May 2012, after the end of the audit period, Omnitrans received a California Challenge Award from the California Council for Excellence and the California Awards for Performance Excellence (CAPE). The California Challenge is a self-assessment recognition program designed and administered by CAPE as a way to help organizations understand their strengths and opportunities for improvement.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Omnitrans' ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, which was developed by the Department of Transportation (Caltrans) to assess transit operators. The updated guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPE based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28) for paper filing, or 110 days (Oct. 18) if filed electronically (internet).	Public Utilities Code, Section 99243	Completion/submittal dates (internet filing): FY 2009: October 15, 2009 FY 2010: October 15, 2010 FY 2011: October 18, 2011 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to its RPTE and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90 day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2009: December 28, 2009 FY 2010: November 25, 2010 FY 2011: December 7, 2011 Conclusion: Complied.

TABLE II-1 Operator Compliance Requirements Matrix, continued		
Operator Compliance Requirements	Reference	Compliance Efforts
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 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251	<p>Omnitrans participates in the CHP Driver Pull Notice Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim submitted by the Authority. There are 2 transit facilities that undergo inspections, one in San Bernardino (East Valley; fixed route) and one in Montclair (West Valley; fixed route).</p> <p>The inspection dates applicable to this audit include - East Valley: June 4, 2009; May 25, 2010; and May 11, 2011. West Valley: May 15, 2009; May 26, 2010; and May 19, 2011.</p> <p>Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, Omnitrans' annual claims for Local Transportation Funds and State Transit Assistance is submitted in compliance with rules and regulations adopted by SANBAG.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>This is not applicable to Omnitrans, which serves an urbanized area.</p> <p>Conclusion: Not Applicable.</p>

TABLE II-1 Operator Compliance Requirements Matrix, continued		
Operator Compliance Requirements	Reference	Compliance Efforts
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	<p>Percentage change in Omnitrans' operating budget:</p> <p>FY 2009: -0.3%</p> <p>FY 2010: -0.4%</p> <p>FY 2011: -0.3%</p> <p>Source: Audited Financial Statements.</p> <p>Conclusion: Complied.</p>
The operator's definition of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>Omnitrans performance measures are defined in accordance with PUC requirements.</p> <p>Conclusion: Complied.</p>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs at least equal to three-twentieths (15%), if so determined by the RTPE.	Public Utilities Code, Section 99268.2, 99268.3, & 99268.1	<p>Omnitrans is subject to a 20% farebox ratio for general public transit, and 10% for Access. The system's fare ratios are as follows:</p> <p>FY 2009: General Public Transit 22.5% Access 12.4%</p> <p>FY 2010: General Public Transit 23.4% Access 12.5%</p> <p>FY 2011: General Public Transit 24.5% Access 13.4%</p> <p>Source: FYs 2009-2011 State Controller Reports.</p> <p>Conclusion: Complied.</p>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Section 99268.2, 99268.4, & 99268.5	<p>This is not applicable to Omnitrans, which serves an urbanized area.</p> <p>Conclusion: Not Applicable.</p>

TABLE II-1 Operator Compliance Requirements Matrix, continued		
Operator Compliance Requirements	Reference	Compliance Efforts
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPE, which will fully fund the retirement system for 40 years.	Public Utilities Code, Section 99271	As described in the annual fiscal audit, Omnitrans contributes to the California Public Employees Retirement System (PERS). Participants are required to contribute 7 percent of their annual covered salary. In accordance with labor union MOUs, Omnitrans has agreed to fund the participant's contributions. Omnitrans is also required to contribute at an actuarially determined rate calculated as a percentage of payroll. Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	Omnitrans utilizes federal funds that are available to the agency, as reported in the annual State Controller reports. FY 2009: Operations (\$10,233,731) Capital (\$11,096,021) FY 2010: Operations (\$9,067,320) Capital (\$14,089,301) FY 2011: Operations (\$9,302,482) Capital (\$17,749,951) Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Omnitrans has complied with all applicable compliance requirements of TDA.
2. Omnitrans' operating budget decreased from the prior year during each fiscal year in the audit period. This trend is very positive relative to the budgetary threshold in the statute.
3. The TDA minimum farebox recovery ratio of 20.0 percent for Omnitrans general public transit service was met in each year of the audit. The farebox recovery ratio for this service was 22.5 percent in FY2009, 23.4 percent in FY2010 and 24.5 percent in FY2011.
4. The TDA minimum farebox recovery ratio of 10.0 percent for Omnitrans Access service was met in each year of the audit. The farebox recovery ratio for this service was 12.4 percent in FY2009, 12.5 percent in FY2010, and 13.4 percent in FY2011.

Section III

Prior Triennial Performance Audit Recommendations

Omnitrans' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Focus on Improving Demand Response Performance.

Demand response operating costs increased significantly during the audit period, at the same time that ridership declined while the amount of service provided was reduced. Farebox recovery has declined despite an appreciable increase in fare revenue collected. Omnitrans has taken measures to improve demand response performance through contractor changes in management and reporting. Stabilizing demand response operating costs should be a major focus for the agency during the next audit period.

Actions taken by Omnitrans: Omnitrans took actions to control demand response operating cost growth during the audit period, including close monitoring of service contractor performance. As a result, the percentage of demand response operating cost growth during this audit period was lower than the percentage growth in delivery of vehicle service hours and miles.

Conclusion: This recommendation has been implemented.

Prior Recommendation 2

Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.

The new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations should be closely monitored, as compliance could affect future funding.

Actions taken by Omnitrans: The sbX service is currently scheduled for implementation early in 2014.

Conclusion: This recommendation is carried forward in this audit for the next audit period.

Prior Recommendation 3

Leverage the VMI Inventory System.

Currently, purchasing long lead items is more of a skill, independent of the features of the inventory system. In early 2009, a new inventory system Vendor Managed Inventory (VMI) was introduced by procurement. The new VMI system should be leveraged to the fullest extent possible. Properly utilizing an inventory management system can help mitigate the shortage of maintenance staff that the department faces. In addition, a properly leveraged inventory system can help reduce costs, improve order fulfillment, and avoid service outages due to parts shortages, similar to those that occurred at the start of the audit period.

Actions taken by Omnitrans: During the audit period, Omnitrans began to implement an enterprise-wide SAP Enterprise Resource Planning (ERP) system. This implementation included integration with the VMI system, tying into the SAP BO dashboard to improve reporting and accuracy of inventory metrics, such as cycle counts and ordering times. The functionality of VMI has been enhanced and replaced by SAP, with this trend likely to continue into the next evaluation period.

Conclusion: This recommendation is no longer applicable.

Prior Recommendation 4

Actively Integrate the SAP/ERP System Into Relevant Functional Departments.

Utilized properly, an ERP system can drastically improve the performance and reporting accuracy of the agency. Omnitrans will have the ability to improve its overall reporting efficiency, and resolve how the TransTrack system fits in with the overall reporting process. SAP modules should be implemented in departments that benefit the most (Maintenance, HR, Procurement, Finance), while existing systems should continue to be used where effective. A post-implementation analysis can identify where data consolidation activities will help leverage the ERP suite even further.

Actions taken by Omnitrans: Omnitrans took significant steps during the audit period to implement an enterprise-wide SAP ERP system across several departments. The integration affected both new and existing systems and incorporated business management tools, operational performance metrics, BO dashboard analytics, inventory management, and a continual business improvement process. The initial iteration was completed during the audit period, with landscape reviews to increase the effectiveness of the platform. While the platform has contributed to significant improvements at the agency, the implementation should continue to iterate into the next audit period.

Conclusion: This recommendation has been partially implemented.

Prior Recommendation 5

Report Performance Against Strategic Planning Goals.

Omnitrans should report actual performance relative to specified goals identified in its current Strategic Plan. Performance reporting should be done on an annual basis or more frequently. This provides insights with respect to functional areas where agency performance is improving, as well as functional areas where further improvements are warranted.

Actions taken by Omnitrans: Omnitrans developed a new FY2013 Management Plan after the end of the audit period. Development of the Management Plan was a new process in which the CEO/General Manager and the Senior Leadership Team developed agency-wide goals, objectives, and performance indicators through a series of meetings held over several weeks. The Management Plan established eleven strategic goals for the year, to help reach the broader mobility objectives of the region. Each goal is associated with a specific timeline for completion of designated tasks, as well as performance indicators that measure progress towards achieving the goal. Another key focus of the Management Plan involved benchmarking Omnitrans' performance relative to selected peer agencies.

Conclusion: This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews Omnitrans' performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators, but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-6 provide the performance indicators for the following services:

- Systemwide
- Fixed Route, Directly Operated
- Fixed Route, Contracted
- OmniLink
- General Public (total of fixed route directly operated, fixed route contracted, & OmniLink)
- Demand Response

Charts are also provided to depict the trends in the indicators. Data in the tables are charts were derived from several sources, including National Transit Database (NTD) reports, State Controller Reports, and TransTrack reports. Sources are noted in footnotes below the tables.

Omnitrans introduced its fixed route contracted service in FY2011. As such, performance indicators for fixed route contracted service is shown only for FY2011.

**Table IV-1
TDA Performance Indicators
Systemwide**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$66,953,546	\$67,117,227	\$66,851,862	\$65,818,373	-1.7%
Unlinked Passengers	14,826,501	15,452,794	14,751,272	15,039,931	1.4%
Vehicle Service Hours	792,387	802,688	806,743	783,012	-1.2%
Vehicle Service Miles	10,644,309	10,826,356	10,809,532	10,586,111	-0.5%
Employee FTEs	774.4	768.7	751.0	727.8	-6.0%
Passenger Fare Revenue	\$13,799,507	\$14,075,545	\$14,526,644	\$14,892,809	7.9%
Operating Cost per Passenger	\$4.52	\$4.34	\$4.53	\$4.38	-3.1%
Operating Cost per Vehicle Service Hour	\$84.50	\$83.62	\$82.87	\$84.06	-0.5%
Operating Cost per Vehicle Service Mile	\$6.29	\$6.20	\$6.18	\$6.22	-1.2%
Passengers per Vehicle Service Hour	18.71	19.25	18.28	19.21	2.7%
Passengers per Vehicle Service Mile	1.39	1.43	1.36	1.42	2.0%
Veh Service Hours per Employee FTE	1,023	1,044	1,074	1,076	5.1%
Average Fare per Passenger	\$0.93	\$0.91	\$0.98	\$0.99	6.4%
Farebox Recovery Ratio	20.6%	21.0%	21.7%	22.6%	9.8%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: NTD, State Controller Reports, and TransTrack. FY11 data excludes contracted fixed route FTEs.

**Table IV-2
TDA Performance Indicators
Fixed Route, Directly Operated**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$56,044,255	\$56,047,003	\$55,445,194	\$52,889,434	-5.6%
Unlinked Passengers	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Vehicle Service Hours	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Employee FTEs	590.4	586.7	569.0	534.8	-9.4%
Passenger Fare Revenue	\$12,433,645	\$12,736,853	\$13,137,400	\$13,300,764	7.0%
Operating Cost per Passenger	\$3.90	\$3.73	\$3.88	\$3.66	-6.2%
Operating Cost per Vehicle Service Hour	\$88.17	\$87.88	\$86.86	\$89.28	1.3%
Operating Cost per Vehicle Service Mile	\$6.84	\$6.77	\$6.70	\$6.92	1.2%
Passengers per Vehicle Service Hour	22.62	23.54	22.41	24.42	8.0%
Passengers per Vehicle Service Mile	1.75	1.81	1.73	1.89	7.9%
Veh Service Hours per Employee FTE	1,077	1,087	1,122	1,108	2.9%
Average Fare per Passenger	\$0.86	\$0.85	\$0.92	\$0.92	6.3%
Farebox Recovery Ratio	22.2%	22.7%	23.7%	25.1%	13.4%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: Unlinked Passengers, Vehicle Service Hours/Miles are from NTD Reports.

Operating Costs and Fare Revenue are from State Controllers Reports.

Employee FTEs are from NTD Reports (employee labor hours / 2,000).

**Table IV-3
TDA Performance Indicators
Fixed Route, Contracted**

Verified TDA Statistics & Performance Indicators	FY11
Operating Costs	\$1,378,763
Unlinked Passengers	116,671
Vehicle Service Hours	22,098
Vehicle Service Miles	278,605
Employee FTEs	n/a
Passenger Fare Revenue	\$69,107
Operating Cost per Passenger	\$11.82
Operating Cost per Vehicle Service Hour	\$62.39
Operating Cost per Vehicle Service Mile	\$4.95
Passengers per Vehicle Service Hour	5.28
Passengers per Vehicle Service Mile	0.42
Veh Service Hours per Employee FTE	n/a
Average Fare per Passenger	\$0.59
Farebox Recovery Ratio	5.0%

Operating costs exclude depreciation, charter, vehicle lease costs.
Source: NTD Reports. Employee FTEs are not available.

**Table IV-4
TDA Performance Indicators
OmniLink**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$1,012,311	\$1,021,328	\$1,011,735	\$547,182	-45.9%
Unlinked Passengers	42,716	44,415	45,502	23,710	-44.5%
Vehicle Service Hours	14,003	14,574	14,629	8,079	-42.3%
Vehicle Service Miles	160,959	157,946	160,031	101,400	-37.0%
Employee FTEs	17.0	21.0	20.0	13.0	-23.5%
Passenger Fare Revenue	\$73,085	\$86,756	\$91,005	\$49,780	-31.9%
Operating Cost per Passenger	\$23.70	\$23.00	\$22.23	\$23.08	-2.6%
Operating Cost per Vehicle Service Hour	\$72.29	\$70.08	\$69.16	\$67.73	-6.3%
Operating Cost per Vehicle Service Mile	\$6.29	\$6.47	\$6.32	\$5.40	-14.2%
Passengers per Vehicle Service Hour	3.05	3.05	3.11	2.93	-3.8%
Passengers per Vehicle Service Mile	0.27	0.28	0.28	0.23	-11.9%
Veh Service Hours per Employee FTE	824	694	731	621	-24.6%
Average Fare per Passenger	\$1.71	\$1.95	\$2.00	\$2.10	22.7%
Farebox Recovery Ratio	7.2%	8.5%	9.0%	9.1%	26.0%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: Vehicle Service Hours/Miles are from State Controller Reports.

Unlinked Passengers, Operating Costs, and Fare Revenue are from TransTrack.

Employee FTEs are from State Controller Reports, based on actual number of employees.

**Table IV-5
TDA Performance Indicators
General Public Service (Fixed Route & OmniLink)**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$57,056,566	\$57,068,331	\$56,456,929	\$54,815,379	-3.9%
Unlinked Passengers	14,420,687	15,054,760	14,352,068	14,609,367	1.3%
Vehicle Service Hours	649,647	652,350	652,967	622,584	-4.2%
Vehicle Service Miles	8,353,755	8,435,885	8,433,922	8,018,074	-4.0%
Employee FTEs	607.4	607.7	589.0	547.8	-9.8%
Passenger Fare Revenue	\$12,506,730	\$12,823,609	\$13,228,405	\$13,419,651	7.3%
Operating Cost per Passenger	\$3.96	\$3.79	\$3.93	\$3.75	-5.2%
Operating Cost per Vehicle Service Hour	\$87.83	\$87.48	\$86.46	\$88.04	0.2%
Operating Cost per Vehicle Service Mile	\$6.83	\$6.76	\$6.69	\$6.84	0.1%
Passengers per Vehicle Service Hour	22.20	23.08	21.98	23.47	5.7%
Passengers per Vehicle Service Mile	1.73	1.78	1.70	1.82	5.5%
Veh Service Hours per Employee FTE	1,070	1,073	1,109	1,137	6.3%
Average Fare per Passenger	\$0.87	\$0.85	\$0.92	\$0.92	5.9%
Farebox Recovery Ratio	21.9%	22.5%	23.4%	24.5%	11.7%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Operating costs exclude depreciation, charter, vehicle lease costs.

Source: NTD, State Controller Reports, and TransTrack. FY11 data excludes contracted fixed route FTEs.

**Table IV-6
TDA Performance Indicators
Access ADA Service**

Verified TDA Statistics & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Operating Costs	\$9,896,980	\$10,048,896	\$10,394,933	\$11,002,994	11.2%
Unlinked Passengers	405,814	398,034	399,204	430,564	6.1%
Vehicle Service Hours	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Employee FTEs	167.0	161.0	162.0	180.0	7.8%
Passenger Fare Revenue	\$1,292,777	\$1,251,936	\$1,298,239	\$1,473,158	14.0%
Operating Cost per Passenger	\$24.39	\$25.25	\$26.04	\$25.55	4.8%
Operating Cost per Vehicle Service Hour	\$69.34	\$66.84	\$67.60	\$68.59	-1.1%
Operating Cost per Vehicle Service Mile	\$4.32	\$4.20	\$4.38	\$4.28	-0.8%
Passengers per Vehicle Service Hour	2.84	2.65	2.60	2.68	-5.6%
Passengers per Vehicle Service Mile	0.18	0.17	0.17	0.17	-5.4%
Veh Service Hours per Employee FTE	855	934	949	891	4.3%
Average Fare per Passenger	\$3.19	\$3.15	\$3.25	\$3.42	7.4%
Farebox Recovery Ratio	13.1%	12.5%	12.5%	13.4%	2.5%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

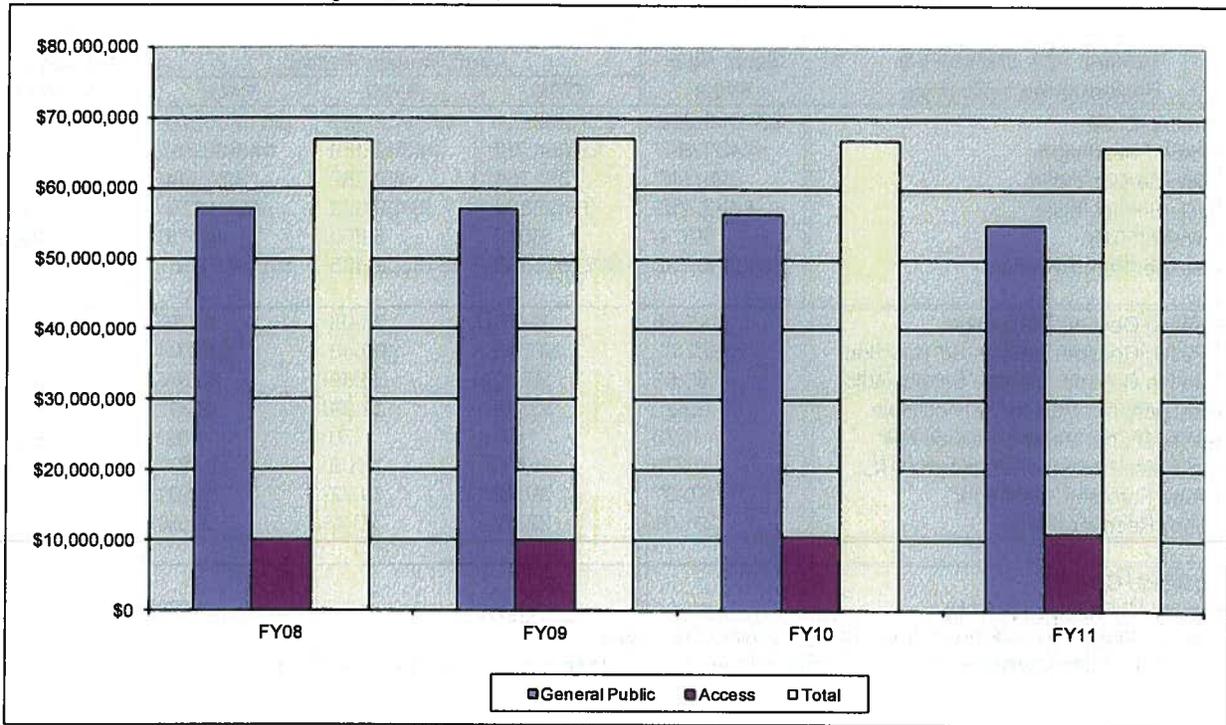
Operating costs exclude depreciation, charter, vehicle lease costs.

Source: Unlinked Passengers, Vehicle Service Hours/Miles are from NTD Reports.

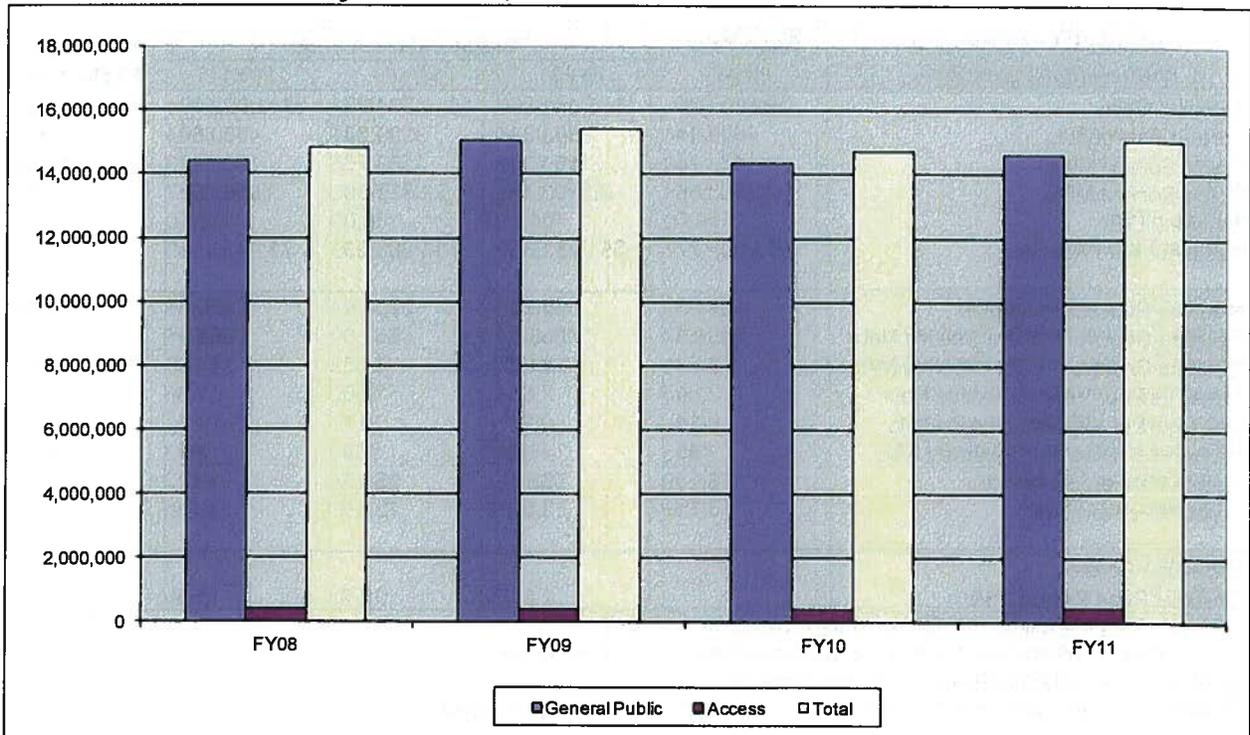
Operating Costs and Fare Revenue are from State Controller Reports.

Employee FTEs are from State Controller Reports, based on actual number of employees.

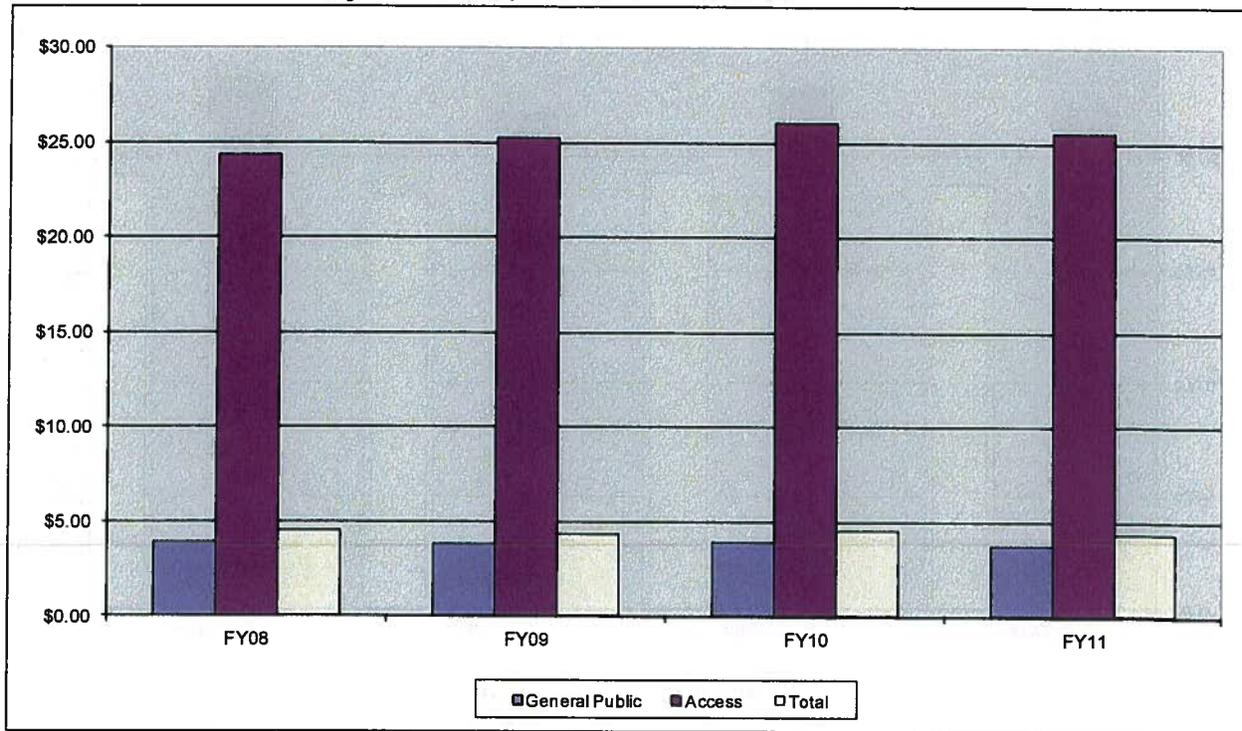
**Graph IV-1
Operating Costs
Systemwide, General Public and Access**



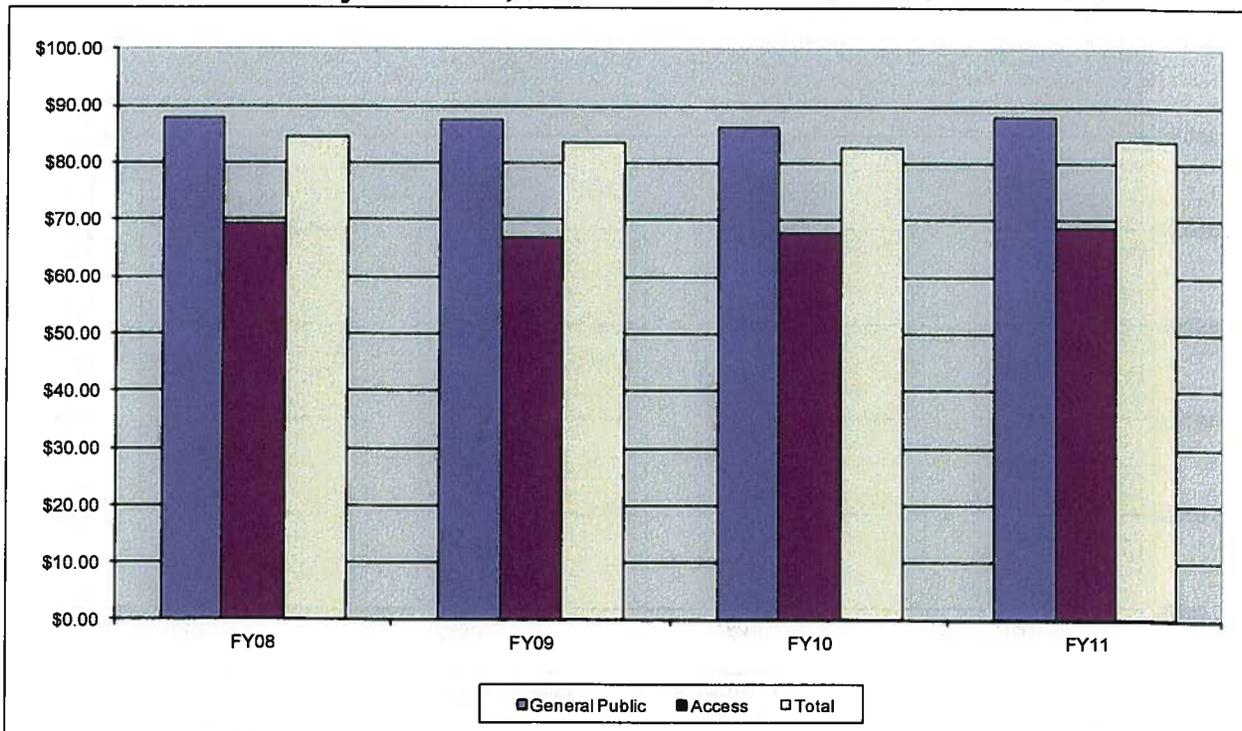
**Graph IV-2
Ridership
Systemwide, General Public and Access**



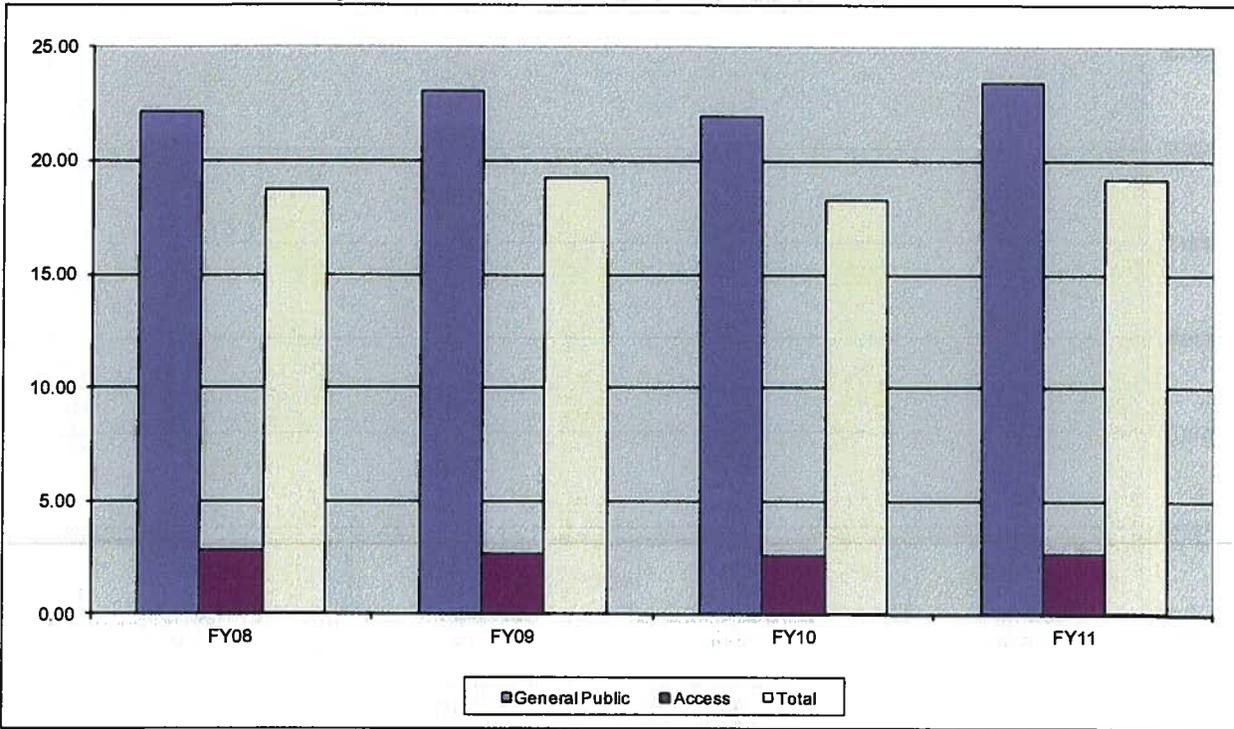
**Graph IV-3
Operating Cost per Passenger
Systemwide, General Public and Access**



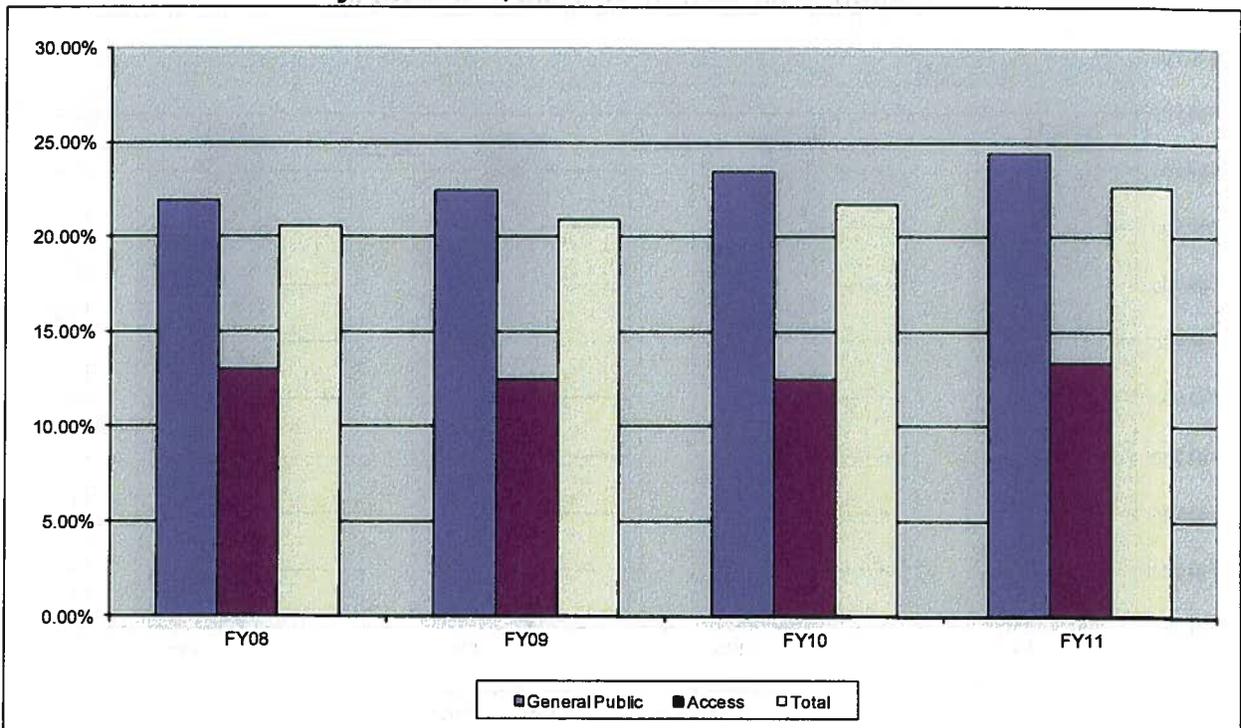
**Graph IV-4
Operating Cost per Vehicle Service Hour
Systemwide, General Public and Access**



**Graph IV-5
Passengers per Vehicle Service Hour
Systemwide, General Public and Access**



**Graph IV-6
Fare Recovery Ratio
Systemwide, General Public and Access**



Findings from Verification of TDA Performance Indicators

1. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years. Systemwide operating costs decreased by 1.7 percent.
2. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, reversing a trend observed during the last audit period. Ridership on Access service increased by 6.1 percent, from 405,814 to 430,564. Systemwide ridership growth was 1.4 percent during the audit period.
3. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans continued to realize cost efficiencies through streamlined service provision. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively.
4. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, but increased by 4.8 percent for Access service.
5. On a systemwide basis, operating cost per vehicle service hour decreased by 0.5 percent and operating cost per vehicle service mile decreased by 1.2 percent. For general public service, operating cost per vehicle service hour increased by 0.2 percent and operating cost per vehicle service mile increased by 0.1 percent. For Access service, operating cost per vehicle service hour decreased by 1.1 percent and operating cost per vehicle service mile decreased by 0.8 percent.
6. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, but decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, but decreased by 5.4 percent for Access service.
7. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.
8. The farebox recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service. Omnitrans met the minimum requirements in each fiscal year during the audit period.

Section V

Comparison of Similar Operators

An additional section for the Omnitrans performance audit is a peer review of other transit systems around the nation. Utilizing information from the Federal National Transit Database (NTD), the auditor updated a peer review of transit systems with similarities to Omnitrans that serve as reasonable “peer” candidates for the purpose of performance comparisons. The NTD maintains the modal characteristics and performance of Omnitrans and other urban transportation systems across the United States.

Using the latest available NTD data (2010), ten other transit agencies were identified for this peer review. Five of these agencies are based in Southern California; the other five are based in other states. These agencies were chosen based on similar service area characteristics and population, and comparable services (fleet mix of bus and demand response). The ten agencies are:

Southern California

1. Long Beach Transit
2. Metropolitan Transit System (MTS) in San Diego
3. North County Transit District (NCTD) in Oceanside
4. Orange County Transportation Authority (OCTA)
5. Riverside Transit Agency (RTA)

Other States

6. Central Florida Regional Transportation Authority (LYNX); Orlando, FL
7. Regional Transportation District (RTD); Denver, CO
8. Southwest Ohio Regional Transit Authority (SORTA); Cincinnati, OH
9. Sun Tran; Tucson, AZ
10. VIA Metropolitan Transit (VIA); San Antonio, TX

Performance Measures

The comparison included the use of performance measures contained in the NTD which are grouped in three categories; service efficiency, cost effectiveness and service effectiveness. The performance measures were:

- Service Efficiency
 - ✓ Operating Cost per Vehicle Revenue Mile
 - ✓ Operating Cost per Vehicle Revenue Hour

- Cost Effectiveness
 - ✓ Operating Cost per Unlinked Passenger Trip
 - ✓ Operating Cost per Passenger Mile

- Service Effectiveness
 - ✓ Unlinked Passenger Trips per Vehicle Revenue Mile
 - ✓ Unlinked Passenger Trips per Vehicle Revenue Hour

Tables V-1 to V-6 show the results of the peer review. For each indicator, results are shown by mode for both FY2007 and FY2010, and show the percentage change observed during the three-year period.

Table V-1
Peer Comparison, Operating Cost per Vehicle Revenue Mile

	Operating Cost per Vehicle Revenue Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	\$6.70	\$6.74	0%	\$3.40	\$4.47	31%
Long Beach Transit (CA)	\$8.75	\$9.83	12%	\$4.31	\$5.30	23%
MTS (San Diego, CA)	\$7.75	\$9.86	27%	\$2.74	\$3.74	36%
NCTD (Oceanside, CA)	\$6.41	\$7.98	24%	\$3.79	\$3.50	-8%
OCTA (Orange, CA)	\$9.15	\$9.66	6%	\$3.42	\$4.43	30%
Riverside Transit (CA)	\$6.87	\$6.62	-4%	\$2.48	\$2.76	11%
Southern CA Average	\$7.79	\$8.79	13%	\$3.35	\$3.95	18%
LYNX (Orlando, FL)	\$5.45	\$5.65	4%	\$2.64	\$3.04	15%
RTD (Denver, CO)	\$8.68	\$9.47	9%	\$4.05	\$3.81	-6%
SORTA (Cincinnati, OH)	\$10.53	\$8.62	-18%	\$3.56	\$4.89	37%
Sun Tran (Tucson, AZ)	\$6.12	\$6.36	4%	\$4.23	\$4.07	-4%
VIA Transit (San Antonio, TX)	\$5.54	\$5.95	7%	\$2.95	\$3.26	11%
Other Regions Average	\$7.27	\$7.21	1%	\$3.48	\$3.81	11%
10 Peers Average	\$7.53	\$8.00	7%	\$3.42	\$3.88	15%

Table V-2
Peer Comparison, Operating Cost per Vehicle Revenue Hour

	Operating Cost per Vehicle Revenue Hour					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	\$87.07	\$87.33	0%	\$54.37	\$67.36	24%
Long Beach Transit (CA)	\$89.27	\$101.60	14%	\$99.16	\$109.78	11%
MTS (San Diego, CA)	\$87.37	\$107.83	23%	\$47.14	\$64.07	36%
NCTD (Oceanside, CA)	\$91.00	\$106.01	16%	\$66.68	\$67.80	2%
OCTA (Orange, CA)	\$113.23	\$117.80	4%	\$51.97	\$70.42	36%
Riverside Transit (CA)	\$90.86	\$96.51	6%	\$48.66	\$53.61	10%
Southern CA Average	\$94.34	\$105.95	13%	\$62.72	\$73.13	19%
LYNX (Orlando, FL)	\$76.53	\$80.12	5%	\$44.47	\$48.36	9%
RTD (Denver, CO)	\$125.76	\$134.59	7%	\$57.36	\$58.18	1%
SORTA (Cincinnati, OH)	\$133.01	\$111.98	-16%	\$68.94	\$83.18	21%
Sun Tran (Tucson, AZ)	\$77.92	\$85.15	9%	\$52.57	\$51.84	-1%
VIA Transit (San Antonio, TX)	\$73.48	\$78.75	7%	\$55.60	\$61.52	11%
Other Regions Average	\$97.34	\$98.12	2%	\$55.79	\$60.62	8%
10 Peers Average	\$95.84	\$102.03	8%	\$59.25	\$66.87	13%

Table V-3
Peer Comparison, Operating Cost per Passenger Trip

	Operating Cost per Passenger Trip					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	\$3.84	\$3.90	1%	\$18.38	\$25.51	39%
Long Beach Transit (CA)	\$2.27	\$2.41	6%	\$19.97	\$23.03	15%
MTS (San Diego, CA)	\$2.86	\$3.16	11%	\$14.22	\$26.66	88%
NCTD (Oceanside, CA)	\$4.45	\$5.36	20%	\$23.89	\$33.00	38%
OCTA (Orange, CA)	\$3.00	\$3.52	17%	\$25.94	\$32.56	26%
Riverside Transit (CA)	\$5.01	\$4.63	-8%	\$28.81	\$25.19	-13%
Southern CA Average	\$3.52	\$3.82	9%	\$22.56	\$28.09	31%
LYNX (Orlando, FL)	\$3.03	\$3.33	10%	\$32.69	\$30.10	-8%
RTD (Denver, CO)	\$3.78	\$3.95	4%	\$30.18	\$33.75	12%
SORTA (Cincinnati, OH)	\$5.19	\$4.09	-21%	\$43.97	\$37.44	-15%
Sun Tran (Tucson, AZ)	\$2.43	\$2.48	2%	\$29.36	\$28.57	-3%
VIA Transit (San Antonio, TX)	\$2.54	\$2.87	13%	\$23.87	\$27.72	16%
Other Regions Average	\$3.39	\$3.34	2%	\$32.01	\$31.52	1%
10 Peers Average	\$3.46	\$3.58	6%	\$27.29	\$29.80	16%

Table V-4
Peer Comparison, Operating Cost per Passenger Mile

	Operating Cost per Passenger Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	\$0.80	\$0.83	5%	\$1.61	\$2.50	55%
Long Beach Transit (CA)	\$0.78	\$0.77	-1%	\$3.84	\$4.74	23%
MTS (San Diego, CA)	\$0.76	\$0.87	14%	\$2.09	\$3.46	66%
NCTD (Oceanside, CA)	\$0.93	\$1.08	16%	\$2.72	\$2.52	-7%
OCTA (Orange, CA)	\$0.79	\$0.81	2%	\$2.42	\$3.09	28%
Riverside Transit (CA)	\$0.81	\$0.76	-7%	\$2.67	\$2.04	-24%
Southern CA Average	\$0.81	\$0.86	5%	\$2.75	\$3.17	17%
LYNX (Orlando, FL)	\$0.53	\$0.62	18%	\$2.55	\$2.56	0%
RTD (Denver, CO)	\$0.72	\$0.76	6%	\$4.59	\$3.77	-18%
SORTA (Cincinnati, OH)	\$1.37	\$0.89	-35%	\$4.44	\$3.60	-19%
Sun Tran (Tucson, AZ)	\$0.65	\$0.66	2%	\$4.36	\$2.98	-32%
VIA Transit (San Antonio, TX)	\$0.67	\$0.68	3%	\$2.05	\$2.44	19%
Other Regions Average	\$0.79	\$0.72	-1%	\$3.60	\$3.07	-10%
10 Peers Average	\$0.80	\$0.79	2%	\$3.18	\$3.12	4%

Table V-5
Peer Comparison, Passenger Trips per Vehicle Revenue Mile

	Passenger Trips per Vehicle Revenue Mile					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	1.75	1.73	-1%	0.19	0.18	-5%
Long Beach Transit (CA)	3.86	4.08	6%	0.22	0.23	7%
MTS (San Diego, CA)	2.71	3.12	15%	0.19	0.14	-27%
NCTD (Oceanside, CA)	1.44	1.49	3%	0.16	0.11	-33%
OCTA (Orange, CA)	3.06	2.74	-10%	0.13	0.14	3%
Riverside Transit (CA)	1.37	1.43	4%	0.09	0.11	27%
Southern CA Average	2.49	2.57	4%	0.16	0.14	-5%
LYNX (Orlando, FL)	1.80	1.70	-6%	0.08	0.10	25%
RTD (Denver, CO)	2.30	2.40	4%	0.13	0.11	-16%
SORTA (Cincinnati, OH)	2.03	2.11	4%	0.08	0.13	61%
Sun Tran (Tucson, AZ)	2.52	2.56	2%	0.14	0.14	-1%
VIA Transit (San Antonio, TX)	2.18	2.07	-5%	0.12	0.12	-5%
Other Regions Average	2.17	2.17	0%	0.11	0.12	13%
10 Peers Average	2.33	2.37	2%	0.13	0.13	4%

Table V-6
Peer Comparison, Passenger Trips per Vehicle Revenue Hour

	Passenger Trips per Vehicle Revenue Hour					
	MB 2007	MB 2010	% Change	DR 2007	DR 2010	% Change
Omnitrans	22.66	22.41	-1%	2.96	2.64	-11%
Long Beach Transit (CA)	39.39	42.16	7%	4.97	4.77	-4%
MTS (San Diego, CA)	30.57	34.14	12%	3.32	2.40	-28%
NCTD (Oceanside, CA)	20.43	19.78	-3%	2.79	2.05	-26%
OCTA (Orange, CA)	37.79	33.48	-11%	2.00	2.16	8%
Riverside Transit (CA)	18.14	20.84	15%	1.69	2.13	26%
Southern CA Average	29.26	30.08	4%	2.95	2.70	-5%
LYNX (Orlando, FL)	25.27	24.05	-5%	1.36	1.61	18%
RTD (Denver, CO)	33.29	34.10	2%	1.90	1.72	-9%
SORTA (Cincinnati, OH)	25.62	27.39	7%	1.57	2.22	42%
Sun Tran (Tucson, AZ)	32.07	34.33	7%	1.79	1.81	1%
VIA Transit (San Antonio, TX)	28.93	27.46	-5%	2.33	2.22	-5%
Other Regions Average	29.04	29.47	1%	1.79	1.92	9%
10 Peers Average	29.15	29.77	3%	2.37	2.31	2%

Findings from Peer Review

Service Efficiency

Operating Cost per Vehicle Revenue Mile: The average across the peer agencies in FY2010 was \$8.00 for the motorbus mode and \$3.88 for the demand response mode, increases of 7% and 15% respectively from FY2007. The range was from \$5.65 to \$9.86 for motorbus and from \$3.04 to \$5.30 for demand response. Omnitrans' operating costs per vehicle revenue mile were \$6.74 for motorbus (5th lowest out of 11) and \$4.47 for demand response (9th lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -18% to 27% for motorbus and from -8% to 37% for demand response. Omnitrans' three-year changes were 0% for motorbus (3rd lowest out of 11) and 31% for demand response (9th lowest out of 11).

Operating Cost per Vehicle Revenue Hour: The average across the peer agencies in FY2010 was \$102.03 for the motorbus mode and \$66.87 for the demand response mode, increases of 8% and 13% respectively from FY2010. The range was from \$78.75 to \$134.59 for motorbus and from \$48.36 to \$109.78 for demand response. Omnitrans' operating costs per vehicle revenue hour were \$87.33 for motorbus (4th lowest out of 11) and \$67.36 for demand response (7th lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -16% to 23% for motorbus and from -1% to 36% for demand response. Omnitrans' three-year changes were 0% for motorbus (2nd lowest out of 11) and 24% for demand response (9th lowest out of 11).

Cost Effectiveness

Operating Cost per Unlinked Passenger Trip: The average across the peer agencies in FY2010 was \$3.58 for the motorbus mode and \$29.80 for the demand response mode, increases of 6% and 16% respectively from FY2007. The range was from \$2.41 to \$5.36 for motorbus and from \$23.03 to \$37.44 for demand response. Omnitrans' operating costs per passenger trip were \$3.90 for motorbus (7th lowest of 11) and \$25.51 for demand response (3rd lowest of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -21% to 20% for motorbus and from -15% to 88% for demand response. Omnitrans' three-year changes were 1% for motorbus (3rd lowest of 11) and 39% for demand response (10th lowest of 11).

Operating Cost per Passenger Mile: The average across the agencies in FY2010 was \$0.79 for the motorbus mode and \$3.12 for the demand response mode, increases of 2% and 4% respectively from FY2007. The range was from \$0.62 to \$1.08 for motorbus and from \$2.04 to \$4.74 for demand response. Omnitrans' operating costs per passenger mile were \$0.83 for motorbus (8th lowest out of 11) and \$2.50 for demand response (3rd lowest out of 11).

The ranges of the percentage change between FY2007 and FY2010 was from -35% to 18% for motorbus and from -32% to 66% for demand response. Omnitrans' three-year changes were 5% for motorbus (7th lowest out of 11) and 55% for demand response (10th lowest out of 11).

Service Effectiveness

Unlinked Passenger Trips per Vehicle Revenue Mile: The average across the agencies in FY2010 was 2.37 for the motorbus mode and 0.13 for the demand response mode, changes of 2% and 4% respectively from FY2007. The range was from 1.43 to 4.08 for motorbus and from 0.10 to 0.23 for demand response. Omnitrans' passenger trips per vehicle revenue mile were 1.73 for motorbus (8th highest out of 11) and 0.18 for demand response (2nd highest out of 11).

The ranges of the percentage increase between FY2007 and FY2010 was from -10% to 15% for motorbus and from -33% to 61% for demand response. Omnitrans' three-year changes were -1% for motorbus (8th highest out of 11) and -5% for demand response (6th highest out of 11).

Unlinked Passenger Trips per Vehicle Revenue Hour: The average across the agencies in FY2010 was 29.77 for the motorbus mode and 2.31 for the demand response mode, changes of 3% and 2% respectively from FY2007. The range was from 19.78 to 42.16 for motorbus and from 1.61 to 4.77 for demand response. Omnitrans' passenger trips per vehicle revenue hour were 22.41 for motorbus (9th highest out of 11) and 2.64 for demand response (2nd highest out of 11).

The ranges of the percentage increase between FY2007 and FY2010 was from -11% to 15% for motorbus and from -28% to 42% for demand response. Omnitrans' three-year changes were -1% for motorbus (7th highest out of 11) and -11% for demand response (9th highest out of 11).

Conclusion

Motorbus: For service efficiency indicators (operating cost per revenue mile and operating cost per revenue hour), Omnitrans has relatively good performance among the 11 agencies. For the cost effectiveness indicators (operating cost per passenger trip and operating cost per passenger mile), Omnitrans has modest performance among the 11 agencies. For the service effectiveness indicators, Omnitrans also has modest performance among the 11 agencies. Omnitrans controlled its motorbus operating cost growth very effectively relative to its peers during the audit period, while service productivity dipped just slightly.

Demand Response: For service efficiency indicators (operating cost per revenue mile and operating cost per revenue hour), Omnitrans has modest performance among the 11 agencies. For the cost effectiveness indicators (operating cost per passenger trip and operating cost per passenger mile), Omnitrans has good performance, ranking 3rd among the 11 agencies. For service effectiveness indicators, Omnitrans also has strong performance ranking 2nd among the 11 agencies. Omnitrans' demand response service remains strong relative to its peers. While Omnitrans experienced significant demand response operating cost growth in FY2008, operating cost growth has been more stable since that time.

Section VI

Review of Operator Functions

This section provides a review of various functions within Omnitrans. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed:

- Operations
- Maintenance
- Administration and Management
- Planning
- Marketing
- Human Resources
- Procurement
- Information Technology

Operations

The Operations Department is responsible for delivering transit service for all of the agency's fixed route and demand response operations, provided directly and via private contractors. It is also responsible for fleet safety and training programs.

The Operations Department includes the coach operators, dispatchers, supervisors and managers who provide the daily interface between Omnitrans and the riding public. Operations works to maintain scheduled service, manage its contracted services, adhere to regulatory requirements and improve labor relations.

Omnitrans' State and Federal certified instructors provide initial and periodic training for operations personnel in aspects of agency policy and procedure, legal requirements, vehicles and related equipment. Operations also administers the National Safety Council fleet safety program and related training. Omnitrans provides driver's training to each recruit, even if the applicant already holds a Class B license from another transit agency to operate a motor bus.

Major accomplishments of the operations department during the audit period include:

- Successfully negotiated a new contract with the Amalgamated Transit Union (ATU) in 2011 with provisions that result in better accountability for operator absenteeism and significant cost savings in wages.
- Controlled operating cost growth through a combination of strategies including reducing service provision, limiting growth in wage levels, and using technologies to reduce dispatch and administration costs.

- Contracted out a portion of fixed route operations to First Transit in FY2011.

By reducing the rate of absenteeism, overtime costs has been reduced. Operations administrative positions were also reduced including in dispatch and an administrative clerk. In addition, Omnitrans selected a contractor in June 2010 to deliver an On-Board Video/Audio Surveillance System (OBVSS) across the entire fixed route fleet. Project delivery is ongoing.

The Operations Department prepares a key performance indicators report on a monthly basis that tracks indicators including uncontrolled absences, discipline violations, overtime hours, accidents, and lost service hours. This report is used to help identify concerns and make progress towards strengthening performance.

Operations Performance

Tables VI-1 and VI-2 provide several indicators of operations performance for Omnitrans directly operated fixed route and contracted demand response service. Contracted fixed route service is excluded since it was in operation for only one year during the audit period.

**Table VI-1
Vehicle Operations Performance Indicators
Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Operations	\$31,817,175	\$32,001,441	\$32,621,981	\$30,460,180	-4.3%
Operator Salaries and Wages	\$14,444,996	\$15,339,718	\$15,871,981	\$14,903,454	3.2%
Operator Pay Hours	829,621	837,078	820,517	761,458	-8.2%
Vehicle Service Hours (VSH)	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles (VSM)	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Total Vehicle Hours	664,230	666,370	666,799	618,609	-6.9%
Total Vehicle Miles	8,826,637	8,907,011	8,900,858	8,224,021	-6.8%
Unlinked Passenger Trips	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Passenger Miles	71,071,565	77,318,948	66,789,651	68,409,228	-3.7%
Preventable Accidents	73	68	66	72	-1.4%
Veh Ops Cost per VSH	\$50.06	\$50.18	\$51.10	\$51.42	2.7%
Veh Ops Cost per VSM	\$3.88	\$3.87	\$3.94	\$3.99	2.7%
Veh Ops Cost per Psgr Trip	\$2.21	\$2.13	\$2.28	\$2.11	-4.9%
Veh Ops Cost per Psgr Mile	\$0.45	\$0.41	\$0.49	\$0.45	-0.5%
Avg Wage per Operator Pay Hour	\$17.41	\$18.33	\$19.34	\$19.57	12.4%
VSH per Operator Pay Hour	0.77	0.76	0.78	0.78	1.5%
VSM per Operator Pay Hour	9.88	9.89	10.08	10.03	1.6%
Service Miles per Service Hour	12.89	12.98	12.96	12.89	0.0%
Service Hours / Total Hours	95.7%	95.7%	95.7%	95.8%	0.1%
Service Miles / Total Miles	92.8%	92.9%	93.0%	92.9%	0.1%
Avg Psgr Miles per Psgr Trip	4.94	5.15	4.67	4.73	-4.4%
Preventable Accidents / Million VSM	8.91	8.21	7.98	9.43	5.8%
Percentage Change					
Consumer Price Index (CPIU)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports; Omnitrans Reports

**Table VI-2
Vehicle Operations Performance Indicators
Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Operations	\$5,349,260	\$5,381,241	\$5,506,966	\$5,819,534	8.8%
Vehicle Service Hours (VSH)	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles (VSM)	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Total Vehicle Hours	194,404	208,321	217,282	213,950	10.1%
Total Vehicle Miles	3,027,287	3,222,260	3,254,630	3,256,922	7.6%
Unlinked Passenger Trips	405,814	398,034	399,204	430,564	6.1%
Passenger Miles	4,973,031	5,071,692	4,539,931	4,969,717	-0.1%
Veh Ops Cost Per VSH	\$37.48	\$35.79	\$35.81	\$36.28	-3.2%
Veh Ops Cost Per VSM	\$2.34	\$2.25	\$2.32	\$2.27	-3.0%
Veh Ops Cost Per Psgr Trip	\$13.18	\$13.52	\$13.79	\$13.52	2.5%
Veh Ops Cost Per Psgr Mile	\$1.08	\$1.06	\$1.21	\$1.17	8.9%
Service Miles Per Service Hr	16.0	15.9	15.4	16.0	-0.2%
Service Hours / Total Hours	73.4%	72.2%	70.8%	75.0%	2.1%
Service Miles / Total Miles	75.7%	74.2%	73.0%	78.8%	4.2%
Avg Psgr Miles per Psgr Trip	12.3	12.7	11.4	11.5	-5.8%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

Findings and Trends from Vehicle Operations Performance Indicators

Vehicle operations cost indicators for directly operated fixed route service grew only slightly during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent and cost per vehicle service mile increased by just 2.7 percent, as compared with the increase in inflation during the audit period of 3.4 percent. Cost per passenger trip decreased by 4.9 percent and cost per passenger mile decreased by 0.5 percent. The stability in operations costs was achieved by limiting growth in wage levels through contract negotiations and using technologies when appropriate to enhance productivity.

Directly operated fixed route vehicle service hours per operator pay hour and vehicle service miles per operator pay hour, functions of operator productivity, increased by 1.5 percent and 1.6 percent respectively during the audit period. Service hours per total hour and service miles per total mile increased by 0.1 percent and 0.1 percent respectively.

Service miles provided per service hour, a reflection of average vehicle speed, was 12.89 miles in both FY2008 and FY2011. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 4.4 percent from 4.94 miles to 4.73 miles.

The number of directly operated fixed route preventable accidents was 73 in FY2008, 68 in FY2009, 66 in FY2010, and 72 in FY2011. The preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.

With respect to demand response service, vehicle operations cost per vehicle service hour decreased by 3.2 percent, vehicle operations cost per vehicle service mile decreased by 3.0 percent, vehicle operations cost per passenger trip increased by 2.5 percent, and operations cost per passenger mile increased by 8.9 percent. Service hours per total hour and service miles per total mile increased by 2.1 percent and 4.2 percent respectively.

Review of Methodology for Collection and Reporting Operations Data

Data collection and reporting of operations data, including hours and miles of service, are performed by several departments within Omnitrans. Hours and miles are computed by taking the scheduled hours and miles and determining variances in hours and miles due to roadcalls and other factors. Initially hours and miles are estimated by the Planning Department. The Operations Department measures schedule variances and produces an exception report from dispatch logs. The Finance Department, which prepares the final estimated actual hours and miles, adjusts the scheduled units by the amount of hours and miles missed according to the exception reports.

Omnitrans' primary source of ridership and fare revenue data is the GFI fareboxes, which show passengers by fare type. Ridership counts from the APCs are used to validate the farebox data.

Omnitrans has outsourced fare collection activities to an outside vendor. The vendor probes the buses daily, and these reports are audited by Operations. Adjustments are made when there are obvious errors in the farebox reports. Finance reconciles the actual and expected revenues. The ridership number goes into the monthly ridership report produced by Finance.

Operations statistics for the demand-responsive services are provided by the service contractor. Omnitrans retains summary data in its database. The Operations Supervisor responsible for overseeing contractor services of Access and OmniLink conducts monthly contract compliance reviews where driver training records, maintenance records, and trip sheet data are reviewed.

During FY2009 and FY2010, Omnitrans measured on-time performance based on direct observations from field supervisors. Starting at the beginning of FY2011 (July 2010), Omnitrans switched to using a Global Positioning Systems (GPS) based Automated Vehicle Location (AVL) system to measure on-time performance. As a result of this change in methodology, on-time performance dropped from about 96-97 percent to about 86-87 percent. The on-time performance measurements from AVL is based on more than ten times the number of observations, and is believed to be more accurate. There are 180,000 timepoints per month that form the basis for the on-time measurement. Omnitrans has observed that on-time performance is better during the summer months when schools are not in session.

Interagency Agreements

During the audit period, Omnitrans had in place or entered into several operating agreements with partners in the provision of service. These interagency agreements formalize Omnitrans' coordination of intercounty service or transfers with neighboring transit agencies. These agreements include the following:

- Agreement with the Mountain Area Regional Transit Authority (MARTA) for MARTA to provide specified transit services in San Bernardino County.
- Agreement with Victor Valley Transit Authority (VVTA) to commence a cooperative effort for the provision of public transit in San Bernardino County. Through this agreement, Omnitrans honors Greyhound tickets sold by VVTA for passage on any Omnitrans fixed route lines going to or from the Greyhound station or the Omnitrans 4th Street Transit Mall in San Bernardino.
- Agreements with SCRRA (Metrolink) pertaining to interagency transfers, and for Omnitrans to provide bus bridge service in the event of commuter rail service disruptions.
- Agreements with Foothill Transit, Los Angeles Metro, the Orange County Transportation Authority (OCTA), and the Riverside Transit Agency (RTA) for joint service planning, service coordination, and information dissemination.

Maintenance

The Maintenance Department maintains the fixed route fleet. CHP and Federal Motor Vehicle Safety Standards (FMVSS) recommendations and requirements are being met or exceeded. The current Preventative Maintenance Vehicle Inspections (PMVIs) are due every 10,000 miles. The inspections are conducted within a variance of 500 miles from the target 10,000 mileage and are different for each 10,000 interval. Omnitrans upgraded its system used to track and schedule PMVIs from Ellipse to SAP, which automated PMVI tracking and enhanced productivity. Twice monthly the CHP conducts a Critical Item Inspection of 15 buses.

Major accomplishments of the Maintenance Department during the audit period include:

- Passed annual CHP terminal inspections.
- Completed union labor negotiations.
- Reduced the parts inventory to about \$1.4 million, due to having fewer vehicle types and one engine type, as well as improving management of inventory and cycle counts.
- Transitioned the system used to track maintenance activities from Ellipse to SAP.

The Maintenance Department prepares a monthly maintenance standards and performance indicators report that tracks indicators including attendance, overtime, maintenance expenses, cost per mile, road calls, miles per road call, average miles per gallon, parts inventory value, daily average of buses down for parts, warranty claims, and warranty recovery. The report is prepared separately for the East Valley and West Valley facilities, and is also combined for the total department. Maintenance will extend the life of the fleet through bus refurbishment as feasible beyond the general 12 year/500,000 mile threshold.

Omnitrans retains an in-house maintenance trainer that conducts both classroom and on-the-job training for mechanics. Mechanics also receive training from the engine manufacturer. The trainer is also open and available to others outside of the agency.

The Maintenance Department is planning ahead with respect to the future implementation of sbX Bus Rapid Transit services, which will involve the use of articulated buses. This includes expanding select fueling islands, pits, and bus bays at the East Valley facility. Also, because Omnitrans no longer operates diesel vehicles, the diesel tanks will need to be removed. The refurbishment cost for bus rapid transit is estimated at \$7 to \$8 million. Maintenance Performance

Tables VI-3 and VI-4 show the trends in maintenance performance for directly operated fixed route and contracted demand response service over the audit period.

**Table VI-3
Maintenance Performance Indicators
Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Maintenance	\$13,814,917	\$14,289,404	\$12,934,888	\$11,819,092	-14.4%
Maintenance Pay Hours	226,448	226,677	209,048	178,732	-21.1%
Total Vehicle Hours	664,230	666,370	666,799	618,609	-6.9%
Total Vehicle Miles	8,826,637	8,907,011	8,900,858	8,224,021	-6.8%
Active Vehicles	166	163	177	168	1.2%
Peak Vehicles	139	139	139	139	0.0%
Total Vehicle Failures	2,953	2,842	2,561	2,485	-15.8%
Maintenance Cost per Veh Hour	\$20.80	\$21.44	\$19.40	\$19.11	-8.1%
Maintenance Cost per Veh Mile	\$1.57	\$1.60	\$1.45	\$1.44	-8.2%
Maintenance Cost per Active Veh	\$83,222	\$87,665	\$73,078	\$70,352	-15.5%
Veh Hours per Maint Pay Hour	2.93	2.94	3.19	3.46	18.0%
Veh Miles per Maint Pay Hour	38.98	39.29	42.58	46.01	18.0%
Veh Hours per Active Vehicle	4,001	4,088	3,767	3,682	-8.0%
Veh Miles per Active Vehicle	53,173	54,644	50,287	48,953	-7.9%
Veh Miles Between Failures	2,989	3,134	3,476	3,309	10.7%
Spare Ratio	19.4%	17.3%	27.3%	20.9%	7.4%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

**Table VI-4
Maintenance Performance Indicators
Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Cost for Maintenance	\$1,916,712	\$1,914,136	\$1,861,497	\$1,626,492	-15.1%
Total Vehicle Hours	194,404	208,321	217,282	213,950	10.1%
Total Vehicle Miles	3,027,287	3,222,260	3,254,630	3,256,922	7.6%
Active Vehicles	105	101	101	100	-4.8%
Peak Vehicles	90	90	90	90	0.0%
Maintenance Cost Per Veh Hour	\$9.86	\$9.19	\$8.57	\$7.60	-22.9%
Maintenance Cost Per Veh Mile	\$0.63	\$0.59	\$0.57	\$0.50	-21.1%
Maintenance Cost Per Active Veh	\$18,254	\$18,952	\$18,431	\$16,265	-10.9%
Veh Hours Per Active Vehicle	1,851	2,063	2,151	2,140	15.6%
Veh Miles Per Active Vehicle	28,831	31,904	32,224	32,569	13.0%
Spare Ratio	16.7%	12.2%	12.2%	11.1%	-33.3%
Percentage Change Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

Findings and Trends From Performance Indicators

Maintenance costs for fixed route service decreased by 14.4 percent during the audit period. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.

Directly operated fixed route vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, both increased by 18.0 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 8.0 percent and 7.9 percent respectively.

Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period. The vehicle spare ratio increased from 19.4 percent to 20.9 percent during the audit period.

For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 15.6 percent and 13.0 percent respectively. The vehicle spare ratio decreased from 16.7 percent to 11.1 percent.

Administration and Management

Omnitrans hired a new Chief Executive Officer/General Manager in January 2010 to replace the retiring CEO. The CEO brings experience from serving in senior management roles at other large transit properties in southern California and Washington DC. The culture being promoted by the

CEO is one of an open door and direct interaction with staff. Employee development through leadership training and membership in technical groups is also emphasized at the agency to increase efficiencies and cost savings.

Omnitrans management is focused on delivery of high quality public transportation services throughout San Bernardino County. During the audit period, Omnitrans focused on financial sustainability of the transit system. Financial sustainability will continue to be a key area for the next audit period, particularly as the sbX Bus Rapid Transit project is completed and begins operations.

In May 2012, after the end of the audit period, Omnitrans prepared its FY2013 Management Plan. Development of the Management Plan was a new process in which the CEO/General Manager and the Senior Leadership Team developed agency-wide goals, objectives, and performance indicators through a series of meetings held over several weeks. This also included a review of strengths, weaknesses, opportunities, and threats (SWOTs).

Omnitrans' mission, as stated in the Management Plan, is:

“To provide the San Bernardino Valley with comprehensive public mass transportation services which maximize customer use, comfort, safety, and satisfaction while efficiently using financial and other resources, in an environmentally sensitive manner.”

The Management Plan established eleven strategic goals for the year, up from five, to help reach the broader mobility objectives of the region. Each goal is associated with a specific timeline for completion of designated tasks, as well as performance indicators that measure progress towards achieving the goal. Another key focus of the Management Plan involved benchmarking Omnitrans' performance relative to selected peer agencies. This is accomplished in part through Omnitrans' recent membership in a benchmarking group comprised of 15 peer midsized transit operators. This is consistent with Omnitrans being a highly performance-based organization.

Administrative Performance

Tables VI-5 and VI-6 show the trends in administration performance for directly operated fixed route and contracted demand response service over the audit period.

**Table VI-5
Administration Performance Indicators
Directly Operated Fixed Route**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Costs for Administration	\$10,760,789	\$9,897,728	\$10,191,776	\$11,316,859	5.2%
Administration Pay Hours	124,669	109,735	108,377	129,335	3.7%
Vehicle Service Hours (VSH)	635,644	637,776	638,338	592,407	-6.8%
Vehicle Service Miles (VSM)	8,192,796	8,277,939	8,273,891	7,638,069	-6.8%
Unlinked Passenger Trips	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Passenger Miles	71,071,565	77,318,948	66,789,651	68,409,228	-3.7%
Admin Cost Per VSH	\$16.93	\$15.52	\$15.97	\$19.10	12.8%
Admin Cost Per VSM	\$1.31	\$1.20	\$1.23	\$1.48	12.8%
Admin Cost per Psgr Trip	\$0.75	\$0.66	\$0.71	\$0.78	4.5%
Admin Cost per Psgr Mile	\$0.15	\$0.13	\$0.15	\$0.17	9.3%
VSH per Admin Pay Hour	5.10	5.81	5.89	4.58	-10.2%
VSM per Admin Pay Hour	65.72	75.44	76.34	59.06	-10.1%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

**Table VI-6
Administration Performance Indicators
Demand Response**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Costs for Administration	\$3,637,445	\$3,782,129	\$3,974,914	\$4,076,265	12.1%
Vehicle Service Hours (VSH)	142,740	150,338	153,776	160,428	12.4%
Vehicle Service Miles (VSM)	2,290,554	2,390,471	2,375,610	2,568,037	12.1%
Unlinked Passenger Trips	405,814	398,034	399,204	430,564	6.1%
Passenger Miles	4,973,031	5,071,692	4,539,931	4,969,717	-0.1%
Admin Cost Per VSH	\$25.48	\$25.16	\$25.85	\$25.41	-0.3%
Admin Cost Per VSM	\$1.59	\$1.58	\$1.67	\$1.59	0.0%
Admin Cost per Psgr Trip	\$8.96	\$9.50	\$9.96	\$9.47	5.6%
Admin Cost per Psgr Mile	\$0.73	\$0.75	\$0.88	\$0.82	12.1%
Percentage Change					
Consumer Price Index (CPI-U)		1.1%	0.5%	1.8%	3.4%

Source: FY08-FY11 National Transit Database Reports

Modest growth in administration costs were observed for both directly operated fixed route service and for demand response service.

In support of agency management controls, the Internal Audit Division conducts review of agency policies and practices, and ensures compliance with required standards and mandates. Drawing upon data using key performance indicators within Omnitrans' information technology systems, internal audit staff monitor the flow of operations and note potential exceptions. Themes by which the division is guided by in carrying out its reviews and identification of issues of concern include efficiency, cost and fraud.

Planning

The Planning Department's mission is to develop short and long range plans, programs, and funding to accomplish Omnitrans' mission and vision. The Short Range Transit Plan (SRTP) is prepared by the Planning Department and serves as Omnitrans' primary financial, planning, and service policy document. The most recent SRTP was prepared in July 2007, covering Fiscal Years 2008 to 2013. Omnitrans will prepare its next SRTP, covering Fiscal Years 2014 to 2020, in 2013 following completion of the Comprehensive Operations Analysis.

The Planning Department has been involved with several large scale planning-related studies and projects during the audit period, with assistance from other departments. In particular, Planning worked closely with other departments during the audit period to continue development of the sbX Bus Rapid Transit project.

Omnitrans prepares a Service Element report each fiscal year that provides a summary of service performance indicators during that year (including ridership, passengers per hour, and farebox recovery), and the service adjustments required to balance Omnitrans' budget. The Service Element report contains separate sections for fixed route service, Access service, OmniLink service, and fare policy.

Planning also coordinated with SANBAG on the ongoing Comprehensive Operations Analysis (COA) of Omnitrans, which is being led by SANBAG and developed by a consultant. The COA involves conducting an in-depth review of the efficiency and effectiveness of Omnitrans transit services and proposing recommendations for service changes. The COA consists of three phases:

- Phase I is an analysis of existing conditions and determination of need.
- Phase II develops service alternatives.
- Phase III creates an implementation plan for Fiscal Years 2014 to 2020.

Based on the potential outcome of the COA, Omnitrans may face funding challenges to resolve for the next audit period given an assumption of reduced share of TDA revenues for the next several years. This is based on the draft financial plan section from the COA.

Marketing

The Marketing Department is responsible for coordinating and enhancing the flow of information about Omnitrans services, programs, projects and activities to existing and potential customers, the community at large, and the media. The Marketing Department prepares informational materials to support transit operations, including bus schedules, how-to guides, and fare media information. Several media outlets are utilized to promote and market Omnitrans service, including radio, television, direct mailings, movie theaters, and the internet. Free ride coupons are distributed via direct mail advertising flyers, and Omnitrans has also used student competitions to create TV commercials. Omnitrans is increasingly using social media, such as Facebook and Twitter, to reach customers as well. To this end, a Community Outreach Specialist was hired in

2010, with a Marketing Specialist transferring to the Planning Department and focusing on ridership.

During the audit period, Marketing implemented a pilot program aimed at increasing awareness and ridership for college students. The Go Smart Student Pass Program enables students at participating schools, colleges and universities in the San Bernardino Valley to enjoy unlimited rides on Omnitrans fixed route buses. Students with a valid student identification get unlimited rides on any Omnitrans fixed route. Students who are prequalified to use Omnitrans Access ADA Service get a 20 percent discount on the purchase of Access one-way base fare tickets. The initial program included a free week of transit rides and bus passes for the college students attending the three junior colleges, CSU-San Bernardino, and two other educational institutions.

To continue the pilot program, the three junior colleges passed referendums at a cost of \$15 per student per year. A magnetic-stripe student card serves as the pass for the bus ride. Omnitrans is in talks with the Art Institute to continue the program for their students. However, CSU did not do a similar referendum due to competing other referendums and stopped participating when the pilot program funding ended in June 2012. Funding included from Omnitrans, the County, the colleges, and local air quality management grants from the cities. The program has increased the market share of college students riding the bus compared to all other students, from 4 percent to 20 percent.

Omnitrans rebranded its logo from the one that was used for over 35 years. The rebranding process began after the development of the 2008 strategic plan. In 2011 an advertising agency was retained to develop a new logo and tag line which have been implemented. Focus groups were held prior to the rollout of the new logo. Capital expenses incurred for this change include new fleet graphics on the vehicles and new bus stop signs.

The Marketing Department is the focal point for Customer Service, including having a customer call center, implementing reduced fare programs, and conducting pass sales. Call center activity has increased due to increased cell phone usage by the public, which has created a need for more customer service positions. Marketing plans to increase its call center staff. All customer comments, whether complaints, compliments or service requests, are collected by Marketing which are entered into Trapeze and forwarded to the appropriate department to respond. A customer satisfaction team comprised of marketing and operations staff, and drivers, meet monthly to review customer input and also to provide input to coach operator training.

Customer feedback is collected primarily by phone and through the Omnitrans website. Complaint statistics are tracked and reported in TransTrack. Compliments are also collected and used to encourage positive behavior by Omnitrans staff. Employee recognition is displayed through printed posters and flyers. Those employees with complaint-free records on a quarterly and annual basis are recognized for the exemplary behavior.

Marketing evaluates marketing effectiveness using several indicators including ridership, pass sales, Omnitrans customer satisfaction surveys, response rates to advertising coupons, and website activity.

The following performance indicators are shown for customer complaints in Table VI-7. While data about customer complaints are not a direct reflection of the Marketing Department, staff that process the comments are located within the Marketing Department and provide lead direction for the complaint resolution process that involves other departments. In addition, unsatisfied customers generally require a need for further marketing activity.

**Table VI-7
Customer Complaints**

Base Data & Performance Indicators	Base Year FY08	Audit Review Period			% Change FY08-FY11
		FY09	FY10	FY11	
Ridership, Motorbus	14,377,971	15,010,345	14,306,566	14,468,986	0.6%
Complaints, Motorbus	1,019	1,233	1,390	1,329	30.4%
Complaints per Million Passenger Trips	70.9	82.1	97.2	91.9	29.6%
Ridership, Access and OmniLink	448,530	442,449	444,706	454,274	1.3%
Complaints, Access and OmniLink	88	89	48	52	-40.9%
Complaints per 100,000 Passenger Trips	19.6	20.1	10.8	11.4	-41.7%

Source: Omnitrans.

While the ratio of complaints per 1 million passengers increased by 29.6 percent for motorbus service during the audit period, the ratio of complaints per 100,000 passengers decreased by 41.7 percent for Access and OmniLink service.

The various complaints made by the community are categorized for trend review by the Marketing Department. If three or more complaints are found against a specific coach operator in a quarter, Marketing alerts Operations for further follow up with that operator.

Human Resources

The Human Resources Department recruits new hires for the agency, including providing initial assessment and screening tests. Recruitment efforts are advertised in newspapers (local and regional), trade magazines, website, job fairs, Employment Development Department offices, and other transit agencies. The department also analyzes turnover by department on a regular basis.

Human Resources is also responsible for worker pay and benefits, including worker's compensation claims and certain labor issues. During the audit period the agency was subject to staff reduction efforts and wage freezes. In September 2010, there were 63 layoffs, plus wage freezes which have been ongoing for four years. Many positions have since been reinstated. Despite these setbacks, the turnover rate and the number of worker's compensation claims decreased overall, which speaks to the compensating efforts of the HR department. Worker's compensation claims decreased from 92 in FY2008 to 77 in FY2011. However, claims increased to 86 from 80 between FYs 2009 and FY2010 along with a higher dollar loss rate per \$100 payroll. The loss rate has since decreased.

In addition, the following trends in fringe benefits costs and liability costs were identified from Omnitrans NTD reports:

- Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall Consumer Price Index (CPI) increase of 3.4 percent during the same timeframe.
- Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

Pre-assessment and drug tests for employees have resulted in net cost savings from worker's claims. A safety committee including a safety specialist from the transit operations department reviews each claim. The HR department also implements safety and development courses including ergonomic training and performance improvement classes.

Procurement

The Procurement Department is responsible for procuring a wide range of equipment, parts, supplies, and professional services that are used by Omnitrans. The Department is driven by balancing time savings with lead times in procuring materials versus cost savings by avoiding re-bidding when feasible. The department works to better predict when to make purchases, how to package or bundle procurements, and the appropriate method in efforts to save cost. For example, solicitations are conducted on-line through sites such as PlanetBids.com which enables more vendors to view procurement opportunities.

In FY2008, Omnitrans kept an average of about \$2.4 million of inventory value throughout the year. By FY2011, this inventory value was reduced to about \$1.4 million. This was accomplished due to Omnitrans having reduced its number of vehicle types from five brands to two, using only the Cummins engine, and using California-based vendors (to reduce delivery times) when feasible resulting in retaining only three months stock rather than six months. Omnitrans also participates with other organizations, such as cities in San Bernardino County, on joint procurements when feasible.

In early 2009, a new inventory system named the Vendor Managed Inventory (VMI) was introduced by procurement. However, this system was later determined to not meet performance objectives. Omnitrans now uses the SAP system for inventory management.

Information Technology (IT)

The Information Technology (IT) department is responsible for the provision of Omnitrans IT services. During the audit period, Omnitrans completed the conversion of several IT software systems previously used to manage and administer transit service provision to a single Enterprise Resource Management (ERP) software system, or SAP. SAP is used for such functions as scheduling, dispatch, and fleet management, and has significantly improved Omnitrans' business

processes. A separate SMS system is used for reporting and analysis of vehicle accidents and injuries.

SAP also places stop measures in controlling expenditures that exceed budgeted levels. The controls in place through SAP include not allowing a transfer of budget between departments, but allowing transfers within department line items. The Finance Department controls this process by conducting the transfers.

Cooperation with other departments has been a hallmark of the IT Department and reflected in the cross-platform nature of their services. IT staff work on projects for specific departments including Administration, Finance, Planning, Human Resources, Operations, and Maintenance. Help desk and server maintenance functions have been outsourced to a vendor.

Key performance indicators (KPIs) for IT include system uptime, issue response time, and system efficiency. KPI data is provided on a monthly basis to the CEO. A future goal of the IT department, and Omnitrans as a whole, is to digitize content to significantly reduce paper use and enhance the search for information agencywide.

Omnitrans rotates Automated Passenger Counters (APCs) through its vehicle fleet to validate ridership counts from farebox data. Omnitrans uses Automated Vehicle Locator (AVL) technology on the entire fleet to track vehicle locations in real-time, as well as to measure on-time performance. Omnitrans is now taking steps to implement a new bus arrival prediction information system (BAPIS).

Section VII

Findings

The following summarizes the major findings obtained from this Triennial Audit covering Fiscal Years 2009 through 2011. A set of recommendations is then provided.

1. Omnitrans has complied with all applicable compliance requirements of TDA.
2. Two of the five prior audit recommendations were fully implemented, one was partially implemented, one is no longer applicable, and one is being carried forward for the next audit period.
3. Operating costs for Omnitrans general public service decreased by 3.9 percent over the last three years, which is remarkable given that the Consumer Price Index increased by 3.4 percent during the same period. Operating costs for Omnitrans Access service increased by 11.2 percent during the last three years. Systemwide operating costs decreased by 1.7 percent.
4. Ridership on general public service increased by 1.3 percent, from 14.4 million to 14.6 million passengers, reversing a trend observed during the last audit period. Ridership on Access service increased by 6.1 percent, from 405,814 to 430,564. Systemwide ridership growth was 1.4 percent during the audit period.
5. The provision of vehicle service hours and miles for general public service decreased by 4.2 percent and 4.0 percent respectively, as Omnitrans continued to realize cost efficiencies through streamlined service provision. Access vehicle service hours and miles increased by 12.4 percent and 12.1 percent respectively.
6. Operating cost per passenger decreased by 3.1 percent systemwide and by 5.2 percent for general public service, but increased by 4.8 percent for Access service.
7. On a systemwide basis, operating cost per vehicle service hour decreased by 0.5 percent and operating cost per vehicle service mile decreased by 1.2 percent. For general public service, operating cost per vehicle service hour increased by 0.2 percent and operating cost per vehicle service mile increased by 0.1 percent. For Access service, operating cost per vehicle service hour decreased by 1.1 percent and operating cost per vehicle service mile decreased by 0.8 percent.
8. Passengers per vehicle service hour increased by 2.7 percent systemwide and by 5.7 percent for general public service, but decreased by 5.6 percent for Access service. Passengers per vehicle service mile increased by 2.0 percent systemwide and by 5.5 percent for general public service, but decreased by 5.4 percent for Access service.
9. Vehicle service hours per employee Full Time Equivalent (FTE) for general public service, which measures labor productivity, increased by 6.3 percent over the past three

- years. Vehicle service hours per employee FTE for Access service increased by 4.3 percent during the audit period.
10. The farebox recovery ratio for general public service increased from 21.9 percent in FY2008 to 24.5 percent in FY2011, while the fare recovery ratio for Access service increased from 13.1 percent in FY2008 to 13.4 percent in FY2011. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service. Omnitrans met the minimum requirements in each fiscal year during the audit period.
 11. Vehicle operations cost indicators for directly operated fixed route service grew only slightly during the audit period. Operations cost per vehicle service hour increased by just 2.7 percent and cost per vehicle service mile increased by just 2.7 percent, as compared with the increase in inflation during the audit period of 3.4 percent. Cost per passenger trip decreased by 4.9 percent and cost per passenger mile decreased by 0.5 percent. The stability in operations costs was achieved by limiting growth in wage levels through contract negotiations and using technologies when appropriate to enhance productivity.
 12. Directly operated fixed route vehicle service hours per operator pay hour and vehicle service miles per operator pay hour, functions of operator productivity, increased by 1.5 percent and 1.6 percent respectively during the audit period. Service hours per total hour and service miles per total mile increased by 0.1 percent and 0.1 percent respectively.
 13. Service miles provided per service hour, a reflection of average vehicle speed, was 12.89 miles in both FY2008 and FY2011. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 4.4 percent from 4.94 miles to 4.73 miles.
 14. The number of directly operated fixed route preventable accidents was 73 in FY2008, 68 in FY2009, 66 in FY2010, and 72 in FY2011. The preventable accident rate per million vehicle service miles increased by 5.8 percent during the audit period. Omnitrans' goal is 8 accidents per million miles, which was met in FY2010, but not in the other audit years.
 15. With respect to demand response service, vehicle operations cost per vehicle service hour decreased by 3.2 percent, vehicle operations cost per vehicle service mile decreased by 3.0 percent, vehicle operations cost per passenger trip increased by 2.5 percent, and operations cost per passenger mile increased by 8.9 percent. Service hours per total hour and service miles per total mile increased by 2.1 percent and 4.2 percent respectively.
 16. Maintenance costs for fixed route service decreased by 14.4 percent during the audit period. Maintenance cost per vehicle hour, per vehicle mile, and per active vehicle declined by 8.1 percent, 8.2 percent, and 15.5 percent respectively.
 17. Directly operated fixed route vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, both increased by 18.0 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 8.0 percent and 7.9 percent respectively.

18. Total directly operated fixed route vehicle failures decreased from 2,953 in FY2008 to 2,485 in FY2011. Vehicle miles between failures showed a 10.7 percent improvement during the audit period. The vehicle spare ratio increased from 19.4 percent to 20.9 percent during the audit period.
19. For demand response service, maintenance costs decreased by 15.1 percent during the audit period. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased by 22.9 percent, 21.1 percent, and 10.9 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 15.6 percent and 13.0 percent respectively. The vehicle spare ratio decreased from 16.7 percent to 11.1 percent.
20. Modest growth in administration costs were observed for both directly operated fixed route service and for demand response service.
21. Directly operated fixed route fringe benefit costs increased by 3.3 percent during the audit period, from \$14.14 million in FY2008 to \$14.61 million in FY2011. The increase was roughly in line with the overall Consumer Price Index (CPI) increase of 3.4 percent during the same timeframe.
22. Directly operated fixed route casualty and liability costs increased by 2.4 percent during the audit period, from \$4.07 million in FY2008 to \$4.17 million in FY2011.

Recommendations

1. Work with SANBAG to Take Appropriate Steps Pending Completion of the Comprehensive Operational Assessment (COA).
(High Priority)

The COA is intended to provide potential opportunities for Omnitrans to adjust service delivery and strengthen performance. Omnitrans should work closely with SANBAG to determine aspects of the COA that warrant implementation in the near future. This step will be incorporated as part of the upcoming Short Range Transit Plan to be developed by Omnitrans.

2. Investigate the Potential to Restructure Service once Bus Rapid Transit is Implemented.
(High Priority)

As a carryover from the prior audit, the new sbX Bus Rapid Transit service represents a tremendous opportunity for Omnitrans to restructure and refocus its overall service network. Omnitrans should leverage the new service with respect to timed transfer opportunities with local routes and a shift of duplicative resources to other parts of the service area. In addition, FTA rules and regulations for the sbX project should be closely monitored, as compliance could affect future funding.

3. Conduct an Evaluation of SAP's Impacts on Business Process Flows.
(Medium Priority)

The SAP Enterprise Resource Planning implementation had significant impacts on how Omnitrans conducts its business processes. Omnitrans should document the results in a centralized location, assess the benefits of those changes, and determine if there are additional business process improvements that could be enabled through SAP. Omnitrans should continue to engage SAP integration at the department level to determine its applicability to each working group.

4. Verify On-Time Performance Numbers and Adjust Performance Targets Accordingly.
(Medium Priority)

Automated Vehicle Location (AVL) technology produces different on-time performance results from the prior data reporting methodology. Omnitrans should document the reasons for these differences and adjust its performance targets in line with the updated methodology.