



Sun Metro Lift Operations Data Audit No. A2013-12

Issued by the
Internal Audit Office
September 5, 2013

EXECUTIVE SUMMARY

The Internal Audit Office has concluded its audit of the Sun Metro's Paratransit Services Reports that are presented to the Mass Transit Department Board. Based on the results of the audit, three (3) findings were identified in the review of the Paratransit Services Reports presented to the Mass Transit Board. One of the findings was considered significant in nature, while two findings were classified as "Regular Findings."

Listed below is a summary of the significant finding identified in this report.

1. Variances between Sun Metro's 2012 and MV Transportation's 2013 Ridership numbers are attributed to increased outsourcing by Sun Metro during 2012.

Listed below are the two (2) "Regular Findings."

2. Variances between Sun Metro's 2012 and MV Transportation's 2013 On-time Performance (OTP) numbers are attributed to the use of different parameters being entered when running the OTP reports.
3. A review of the Customer Complaint percentages reported to the Mass Transit Board identified minimal reporting variances. The reporting variances in Customer Complaints can be attributed to the learning curve of new drivers and the manual tracking of Customer Complaints.

For a detailed explanation of each of the findings please refer to the appropriate finding contained in the body of this Audit Report.

BACKGROUND

LIFT is the Americans with Disabilities Act (ADA) complementary Paratransit service to the City's fixed route system, as required by the Federal Transit Administration. The LIFT service provides traditional pre-scheduled, curb to curb shared service using small buses equipped with hydraulic mobility device lifts and tie downs.

On May 15, 2012 the City of El Paso contracted with MV Transportation to provide:

- the LIFT transit operation,
- LIFT facility and vehicle maintenance,
- call center services,
- ADA Paratransit service eligibility certification for the City's LIFT program
- transportation for the Veteran's Transportation and Community Living Initiative for El Paso and West Texas (VTCLI),
- supplemental service when needed to meet peak demands, late night service or back-up service.

MV Transportation, Inc. is a nationally recognized award-winning company specializing in transportation of the elderly and persons with disabilities. MV Transportation, Inc., known simply as MV, was founded in 1975 for the sole purpose of mobilizing seniors and persons with disabilities. Its formation pre-dates the enactment of the Americans with Disabilities Act by 15 years. MV and its affiliates operate more than 9,000 transit vehicles and have more than 190 operating contracts with more than 150 government agencies to provide customer focused transportation services. It has annual revenues exceeding \$700 million and more than 15,000 employees that primarily serve government agencies.

The City of El Paso maintains oversight over LIFT Paratransit services and monitors MV's performance to ensure customer service is strengthened and service standards compliance is met. The City is responsible for monitoring MV's performance based on Performance Requirements set forth in the Sun Metro Mass Transit Agreement for Lift Paratransit Services with MV Contract Transportation, Inc. The effective date of the Agreement is May 15, 2012 with a six month "Transition Period" ending on November 10, 2012.

MV Transportation took over the management, operation and staffing of the LIFT Paratransit services on November 11, 2012. Soon after, concerns were raised regarding service delivery. On March 12, 2013 the Mass Transit Board requested MV Transportation to provide an update on service performance since commencement of service. On May 14, 2013 the Mass Transit Board was provided with a Paratransit Services Update that portrayed MV performance as being superior to that of Sun Metro's. Members of the public and the Mass Transit Board questioned the performance numbers being reported, resulting in a request for an internal audit.

AUDIT OBJECTIVES

The audit objective for the Sun Metro Lift Operations Data Audit was to verify the Sun Metro LIFT – MV Performance reports that are provided to the City of El Paso Mass Transit Board of Paratransit Operations.

AUDIT SCOPE

The audit period covered the April 2013 – June 2013 Paratransit Services Reports presented to the Mass Transit Department Board.

AUDIT METHODOLOGY

To achieve our audit objectives we:

- Conducted interviews with Sun Metro and MV Transportation staff,
- Confirmed the Ridership and Customer Satisfaction numbers reported April, May, and June 2012 & 2013 Sun Metro LIFT – MV Performance reports,
- Determined cause of variance between Sun Metro’s previous year’s data and MV Transportation’s current year data.
- Conducted an analysis of employment and employee turnover during the transition between Sun Metro and MV Transportation of Paratransit services.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This audit was also conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

SIGNIFICANT FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

The definition of a "Significant Finding" is one that has a material effect on the City of El Paso's financial statements, identifies an internal control breakdown, a violation of a City procedure, or a violation of a law and/or regulation, which the City is required to follow. Any finding not meeting these criteria will be classified as a "Regular Finding".

Finding: 1

Ridership

To be useful, performance data should be reliable and verifiable. A review of the April, May, and June 2012 & 2013 Ridership numbers reported to the Mass Transit Department Board identified the following variances:

April 2012/2013				
	2012 Sun Metro	2013 MV Transportation	Performance Variance	% Change
Ridership per Mass Transit Report (excluding outsourced trips)	17,788	19,481	1,693	9.52%
Ridership confirmed by Internal Audit Office	17,672	22,233	4,561	
Plus Outsourced Trips (Project Amistad, Sun City Cabs)	3,718	842	(2,876)	
Total Ridership Confirmed by Internal Audit Office	21,390	23,075	1,685	7.88%

May 2012/2013				
	2012 Sun Metro	2013 MV Transportation	Performance Variance	% Change
Ridership per Mass Transit Report (excluding outsourced trips)	19,662	22,459	2,797	14.23%
Ridership confirmed by Internal Audit Office	19,496	22,460	2,964	
Plus Outsourced Trips (Project Amistad, Sun City Cabs)	3,545	1,195	(2,350)	
Total Ridership Confirmed by Internal Audit Office	23,041	23,655	614	2.66%

June 2012/2013				
	2012 Sun Metro	2013 MV Transportation	Performance Variance	% Change
Ridership per Mass Transit Report (excluding outsourced trips)	19,989	21,038	1,049	5.25%
Ridership confirmed by Internal Audit Office	19,989	21,075	1,086	
Plus Outsourced Trips (Project Amistad, Sun City Cabs)	3,354	1,358	(1,996)	
Total Ridership Confirmed by Internal Audit Office	23,343	22,433	(910)	-3.90%

The performance variances between Sun Metro's 2012 and MV Transportation's 2013 Ridership numbers were attributed to increased outsourcing by Sun Metro during 2012. After incorporating the outsourced trips to the 2012 and 2013 Ridership numbers, we were able to identify that:

- Performance variances were minimal for the months of May and June.
- The 7.88 % variance for April is a result of incorrect ridership numbers being initially being reported for MV Transportation's April 2013 Ridership number. The Internal Audit Office confirmed 2,752 (22,233 – 19,481) more in ridership for the month of April 2013 than what was reported to the Mass Transit Board.

Reporting variances can be attributed to the following causes:

- Trapeze Data is not consistent. The reports generated from Trapeze are a snapshot in time of the data that is captured at the time a query is run. The process of editing trips still occurs after monthly reports are generated causing inconsistencies in the performance reports.
- A Quality Control process to confirm performance data numbers was not in place in 2012.
- The AVL (Automatic Vehicle Locator) software has experienced connectivity issues with Tower 1 since its relocation from the former City Hall building. The AVL software is what is used to provide connectivity to the radios and the MDT's (Mobile Data Terminals).

Recommendation:

MV Transportation and Sun Metro's Compliance Officer should:

- Disclose when there are exclusions to the monthly Ridership numbers.
- Establish a monthly recurring date to run the Trapeze Performance Reports, and disclose the date in their report to the Mass Transit Board.
- Restrict or limit access to prior periods once performance reports have been generated.

Management's Response:

- Disclosures will be provided in written format using the monthly report presented at the Mass Transit Board meeting.
- The monthly recurring date to run the Trapeze Performance Reports has been established to be on the 3rd of each month or as soon as the monthly audit has been completed to allow for sufficient time to report to Mass Transit Board.
- Once the reports are generated, they are saved in electronic format to be used as the official performance reports for that period. Only the Sun Metro's Compliance Officer has the ability to reprint/adjust those reports if needed.
- New digital radios and MDT's are being installed on all vehicles as of Oct 11, 2013 which will greatly enhance connectivity and communications with drivers.

Responsible Party:

MV's General Manager and Sun Metro's Compliance Officer

Implementation Date:

All items completed as of Oct 2, 2013.

**REGULAR FINDINGS, RECOMMENDATIONS,
AND MANAGEMENT'S RESPONSES**

Finding: 2

On-Time Performance (OTP)

Per RFP 2012-040R – Management and Operation Transit and Lift System Section 25.3.1:

- *On-time Performance will be measured based on the difference between scheduled pick-up time as reflected on the driver's manifests and actual pick-up time as recorded on the vehicles mobile data terminal (MDT)...Pick-ups will be considered "on-time" if drivers arrive at the pick-up location within the thirty (30) minute window stated to customers.*
- *In calculating on-time performance, customer "no-shows" are counted as "on-time," and "vehicle no shows" or "missed trips" are counted as "late."...To compute the percentage of those trips that arrive within the on-time window, the number of on-time trips will be divided by the total number of completed trips plus missed trips plus customer no-shows.*

A review of the April, May, and June 2012 & 2013 On-Time Performance (OTP) percentages reported to the Mass Transit Board identified the following reporting variances:

	SM April 2012	MV April 2013	SM May 2012	MV May 2013	SM June 2012	MV June 2013
OTP per Mass Transit Report	85%	91%	82%	88.8%	81%	91.5%
OTP confirmed by Internal Audit	82.99%	90.84%	79.79%	88.68%	78.78%	91.47%
Variance between reported and confirmed amounts:	2.01	0.16	2.21	0.12	2.22	0.03

Legend: SM (Sun Metro); MV (MV Transportation)

- The 2012 Sun Metro figures could not be reproduced. The OTP numbers confirmed by the Internal Audit Office were 2% lower than what was reported to the Mass Transit Board.
- There were minimal variances identified with the 2013 OTP numbers for MV Transportation.
- The reporting variances can be attributed to the same causes identified in the confirmation of Ridership numbers in Finding #1.
- The performance variances between Sun Metro's 2012 and MV Transportation's 2013 OTP numbers are attributed to the use of different parameters being entered when running the OTP reports.
 - When Sun Metro generated the OTP reports, they used a 40 minute pick-up window when they should have been using a 30 minute window. In order to accurately compare 2012 performance against 2013 performance, the LIFT Services Compliance Officer made revisions to the 2012 OTP figures that had initially been reported by Sun Metro. Because Sun Metro was utilizing a wider window to calculate On-Time Performance, a higher number of trips were classified as "on-time."
 - FY 2012 Sun Metro OTP did not include Job Express OTP. The FY 2013 OTP statistics include both the trips performed by MV Transportation and Job Express.

- The Project Amistad trips were included in numerous MV Transportation reports but are now completely excluded.
 - Third-party transportation information is excluded because third party transportation providers do not have a reliable way of tracking on-time performance, missed trips, etc.

Recommendation:

MV Transportation and Sun Metro's Compliance Officer should:

- Document the parameters that are to be used for generating the OTP reports,
- Ensure that established parameters are consistently utilized.
- Establish a recurring monthly date to run the Trapeze Performance Reports, and disclose the date to the Mass Transit Board.
- Restrict or limit access to prior periods once performance reports have been generated.

Management's Response:

- Parameters for generating OTP reports have been documented to use a 30-minute window and no other parameter is used for any other purpose.
- The monthly recurring date to run the Trapeze Performance Reports has been established to be on the 3rd of each month or as soon as the monthly audit has been completed to allow for sufficient time to report to Mass Transit Board. The report presented at Mass Transit Board will have an "As Of" date to identify when the source of the data was printed.
- Once the reports are generated, they are saved in electronic format to be used as the official performance reports for that period. Only the Sun Metro's Compliance Officer has the ability to reprint/adjust those reports if needed.

Responsible Party:

MV's General Manager and Sun Metro Compliance Officer

Implementation Date:

Completed as of Oct 2, 2013.

Finding: 3

Customer Complaints

Per RFP 2012-040R – Management and Operation Transit and Lift System Section 2.12.4:
Complaints per 100,000 Passenger Boardings will be measured by monthly counts of documented customer complaints about fixed route transit service including driving safety, operator behavior and employee behavior.

A review of the April, May, and June 2012 & 2013 customer complaint percentages reported to the Mass Transit Department Board identified that the figures can be relied upon. The following minimal reporting variances were identified in the confirmation of Customer Complaint numbers:

	SM April 2012	MV April 2013	SM May 2012	MV May 2013	SM June 2012	MV June 2013
Per Mass Transit Report	13.49	11.74	7.2	11.13	12.51	6.18
Confirmed by Internal Audit	13.58	11.69	7.18	11.13	12.51	6.17
Variance between reported and confirmed amounts:	-0.09	0.05	0.02	0.00	0.00	0.01

Legend: SM (Sun Metro); MV (MV Transportation)

The performance variances between Sun Metro's 2012 and MV Transportation's 2013 Customer Complaint numbers may be attributed to the following causes:

- A high learning curve due to New Drivers. MV Transportation was only able to retain 2 out of 156 (1.28%) of the Sun Metro Drivers when services were transferred.
- The tracking of customer complaints is a manual process that may not accurately capture all complaints that are submitted.
- The connectivity issues between Tower 1 and the AVL software. Riders are aware of the connectivity issues and have expressed their concerns.

Recommendation:

MV Transportation and Sun Metro's Compliance Officer should:

- Restrict or limit access to customer complaint database.
- Consider implementing an electronic solution so that customers can electronically submit customer complaints.

Management's Response:

- Once the reports are generated, they are saved in electronic format to be used as the official performance reports for that period. Only the Sun Metro's Compliance Officer has the ability to reprint/adjust those reports if needed.
- The City has procured a Customer Complaint Module within Trapeze that allows the LIFT to track and follow up on customer complaints, comments and recommendations. These records will be stored electronically and cannot be deleted once entered in the system.

Responsible Party:

Sun Metro Compliance Officer

Implementation Date:

Purchase approved. PO is being issued. Full implementation date expected by April 1st, 2014.

INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that procedures may become inadequate due to changes in conditions, or that the degree of compliance with the procedures may deteriorate.

CONCLUSION

We have concluded work on the audit objectives of the Sun Metro Lift Operations Data Audit. In accordance with *Generally Accepted Government Auditing Standards* we are required to conclude on whether MV Transportation met the objectives of this audit. Based on our audit work, we have determined the following:

1. The April 2013 – June 2013 Paratransit Services Reports presented by MV Transportation to the Mass Transit Board were accurately reported in the following areas:
 - Measurement of On-Time Performance (OTP) using a 30 minute pick-up window,
 - OTP for both Job Express and LIFT services,
2. The 2013 reports were verified by the Lift Compliance Officer whom has begun the implementation of a Quality Control program.

We have determined that Sun Metro was not meeting the objectives of the audit in the following areas:

1. The April 2012 – June 2012 Paratransit Services Reports presented by Sun Metro to the Mass Transit Board were not accurately reported in the following areas:
 - Ridership performance data was under reported,
 - OTP performance numbers were generated using a 40 minute pick-up window.

Additionally, the following issues were identified as contributing to the inconsistencies identified with Mass Transit Board Paratransit Services Reports:

- Trapeze data is not consistent resulting in variations of the numbers that are generated.
- There was no Quality Control process in place to confirm the 2012 data that was reported in the Paratransit Services Reports.
- Connectivity between Tower 1 and the AVL software continues to be a problem.
- MV Transportation began its operations with a staff of 2 out of 156 (1%) experienced Sun Metro drivers. With 70% of new drivers obtaining their six month of experience, positive performance should increase.

City of El Paso
Internal Audit Office
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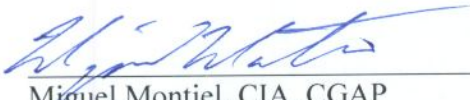
We wish to thank the management and staff of Sun Metro and MV Transportation for their assistance and courtesies extended throughout this audit.



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